Jobless Dupes of "Reds" (Page 11)

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The Nation's Business

Packers Charged Under New Law

"Unfair Trade" Charge Probed

Ontario Goes After Law-breaking Agitators

Section 98 Gone And Not Needed

New Radio Octopus Is Promised

Ottawa Discovers Bennett Reform Law

UNDER the new Dominion Trade and Industry Act an investigation is being launched into the operations of some of the larger packing companies. They have been charged with unfair trade practices to the injury of a smaller company. No doubt the specific complaint will be outlined later. At the moment it is vague. Apparently the companies are charged with maintaining the price of hogs and cutting the price of bacon. The further implication, of course, is that this is being done to embarrass one smaller competitive company.

Since it is the Tariff Board that has to do the investigating and not a parliamentary enquiry the probe will, one may expect, be conducted with reasonable justice. It will be one for businessmen in every line of business to follow as it is a test case under the act.

There may be more than the new act on trial. The situation is a curious one. The King government is testing out a "reform" measure passed by the Bennett government and inspired by the Stevens enquiry. And the complaint made seems to boil down to this: The big packing houses pay the farmer too much for his hogs and sell bacon too cheaply to the consumer. To add to the paradox, the chairman of the Tariff Board has to investigate the charge, although packing is an industry that has nothing to do with the tariff.

• • •

Jail for Agitators; Ontario's New Policy

HON. MITCHELL F. HEPBURN, Premier of Ontario, has taken a firm attitude with regard to law enforcement when mobs get unruly. His declaration that attempts at mob rule must stop will receive the endorsation of every Canadian whose mind has not been distorted by doctrines of class hatred.

Whatever government reigns—be it Conservative, Liberal, Socialist or Labor—it must either ask the police to keep law and order or else cease to govern. Mob law, lynch law and acts of terrorism and violence have so far been rare in Canada because people have had confidence in the essential justice of our courts and the efficiency of the various police forces employed to enforce the law. It is a real cause for pride.

• • •

THE country is to be congratulated as well because the stand taken by the Ontario government comes just after Regulation 98 has been taken out of the Criminal Code. It would otherwise have been argued that the drive against acts of violence and intimidation had been launched because the leaders in the "relief" strikes were Communists.

As a matter of fact, Section 98 has acted as a protection to Communists in a considerable degree. The ministers in charge of the administration of the law have bent backwards in law enforcement for fear they would be suspected of "Red-baiting." Some agitators have been sent to jail because something had to be done when the law was on the statute books. But much in the way of mob violence has been ignored because it was as certain as the day follows the night that any police action would be construed as persecution of Reds. Now, Communists are under exactly the same law as anybody else and will be punished the same way when they counsel or organize rioting, lawbreaking or destruction of property.

• • •

IT IS regrettable that the chief sufferers from police action will be local men wherever disturbances occur, men who are led away by the prominence allowed them and who are essentially dupes of the Communists. If they break the law they must suffer the penalties. Unfortunately the Communist ideology has a patter which is not hard to pick up. Thousands pick it up and recite it with as much apparent conviction as zealots but with as little real thought as parrots.

The Communist agitators are responsible for those on relief making themselves into spectacles of ingratitude. Relief recipients are taught by them to regard themselves as having the same right to relief as a working man to his earnings. The provincial governments, which have been sending their provinces further and further into debt to give money to the unemployed, businessmen, industrialists and employed men on salaries and wages, who have paid growing taxes with fortitude because they felt they were helping out those less fortunate than themselves, are getting very restive under these continual exhibitions of ingratitude. They know they cannot keep paying such large sums indefinitely but there would be a better feeling about it if those on relief showed some appreciation. That

(Continued on page 2, col. 3)

Crop Losses Offset Trade Gains In Wake Of Week's Heat Wave

Millions of Dollars Damage Tolls From Fields—Seasonal Business Booms

Canadian business has been profoundly affected by the recent heat wave, which in intensity and duration broke all previous records. Practically one solid week of temperatures from 95 to 110 degrees blanketed the Dominion from Alberta to Quebec.

Gains there have been in certain lines, particularly those catering to the comforts of mankind, but undoubtedly these have been greatly offset by huge losses to wheat and other growing crops and also by the ennervating effect which hot weather has had on the transaction of business generally. Wheat alone, it is estimated, may have to be revised downward as much as 100 million bushels from July 1 promises. Much will depend on later weather before a correct appraisal can be made. Nature is capable of marvellous recuperative powers and where the damage did not go too far, generous moisture will certainly make partial amends.

Offsetting heartbreaking agricultural losses, both in the West and East, has been a natural but at the same time an unprecedented boom in hot weather sales. Beverage companies have been swamped. Ice cream consumption has soared. Lemons zoomed from $5.50 per case at the beginning of the heat wave to an all time high of $13. Other citrus fruits followed.

Lightweight clothing, bathing suits, camp beds, tents, electric fans and similar equipment have been rushed across the counters in a volume which will more than offset unseasonably low sales in June.

Moderation of temperatures will inevitably lead to lower levels for those goods which were in feverish demand in the last two weeks. On the other hand business observers generally anticipate a fairly permanent rise in the level of agricultural prices, a rise which may gradually be transferred to many other lines.

Highlights of the situation are as follows:

Gains

BEVERAGES—Brewery and soft drink companies swamped. Supplies completely sold out in many sections. Makers of ice cream, ice, dry ice, fruit juices, salad dressing and other ingredients in hot weather drinks and foods report business at record proportions.

CLOTHING — Unexpected demand for bathing suits, lightweight clothing, straw hats, camp clothing, etc., at a season when normally these lines would have to be reduced to clear.

COOLING EQUIPMENT — Shortage in electric fans at many points and unusually heavy sales of refrigerators and air-conditioning equipment. Hot spell has given makers of latter a big start and favorable selling point for future business. Stores, theatres and restaurants have found air-conditioning equipment a big drawing card for patronage in the last fortnight.

CAMPING AND COTTAGES—Rush of urban people to camps, beaches and cottages has resulted in heavy sales of hardware, food, camp beds, screening, etc., in summer areas.

GASOLINE AND TIRES — Oil and gasoline stations report considerably increased sales as motorists have driven extra mileage in search of cooling waters and breezes. Frequent blow-outs due to heat resulted in much tire replacement.

TRAVEL — Higher to summer resorts, and on short trip boat excursions.

Losses

WHEAT—July 1 estimates of 350 to 400 million bushels now cut to 225 to 275 millions or only about the same as last year's small crop. At present prices loss to farmers estimated at $75 millions. Coarse grain production curtailed.

CANNING CROPS — Peas and berry yields cut in two, tomatoes and fruit threatened. Canning companies facing shortage of raw materials.

DAIRY PRODUCTS—Milk production sharply reduced following withering of pastures. No danger of shortage yet as this is season of surplus production and lessened consumption.

FARM IMPLEMENTS—Sharply rising trend of sales in first 6 months reversed. Smaller grains crop will adversely affect demand for machinery and also collections on machinery already sold.

CANDY—Chocolate making and distribution practically impossible during excessive heat, and sales dwindled. Some losses to goods in transit except where special refrigerating packing used.

HIGHWAYS—Heaving of pavements and melting of tar causes damage. Dried out gravel roads lose much surface via dust.

FOREST FIRES—Out of control at several points in Canada.

LIVESTOCK — Without speedy and permanent relief in drought districts shortage of feed may force large scale liquidation of unfinished cattle at poor prices.

Drought Cuts Wheat Crop Over a Third

But Better Weather Brings Relief in Northern Areas

From Our Own Correspondent

WINNIPEG.—The great Western drought has been largely relieved by scattered rains and lower temperatures. But in some sections damage is continuing and in any case an accurate estimate of the destruction caused by a heat wave which sent the thermometer to well over the 100 mark in all wheat growing districts will be impossible for some time.

All hopes of the 350 to 400 million bushel crop promised at the end of June must be abandoned. Something only slightly better than last year's 250 million bushel crop is now anticipated.

Where Damage is Certain

The area of greatest damage extends in a strip across the southern part of Manitoba and Saskatchewan, turning northward to take in the western part of Saskatchewan and eastern Alberta. In that district there are millions of acres which must be regarded as a total failure, no matter what weather is now experienced. A good deal of southern Alberta still appears critical. It is capable of improvement only with satisfactory weather. In central, eastern and northern Saskatchewan there is still a good deal of crop area which gives promise of excellent yields, and in parts of Manitoba crops have continued to stand up fairly well.

Some alarm is felt as to rust possibilities in areas where crops are still reasonably good. There has been some infestation from rust, probably not resulting in any damage yet, but providing the basis on which damage could be done if weather should be sufficiently moist to favor further development.

Wheat Exports Soar in June

A 300% increase in wheat exports for June is the major highlight of the week's business news. Flour exports were almost on a par with a year ago.

An oversold condition in leather footwear is reflected in lower May production.

The week's figures follow:

		—Change— From prev. period	From prev. year
Monthly:	**May**		
Footwear prod. pr.	1,796,518	—1.3	— 11
	June		
Wheat exp. bush.	25,763,565	— 5	+ 296
Wheat flour exp. bbl.	430,171	— 4	+ 0.1
Weekly:			
Car loadings, No.	43,172	— 8	+ 8
Cattle sales, No.	13,372	+ 17	+ 30
Hog sales, No.	14,609	— 8	+ 4

Beer Sales Jump In Hot Weather

But Breweries Won't Know Actual Figures for While

Both Brewing Corp. and Canada Bud Breweries report record days in the weather that scorched Ontario but naturally the effect on the year cannot be estimated until they see what the rest of the weather will be through the Summer. Exceptionally cool weather for 2 or 3 weeks would entirely offset the gain in the hot weather.

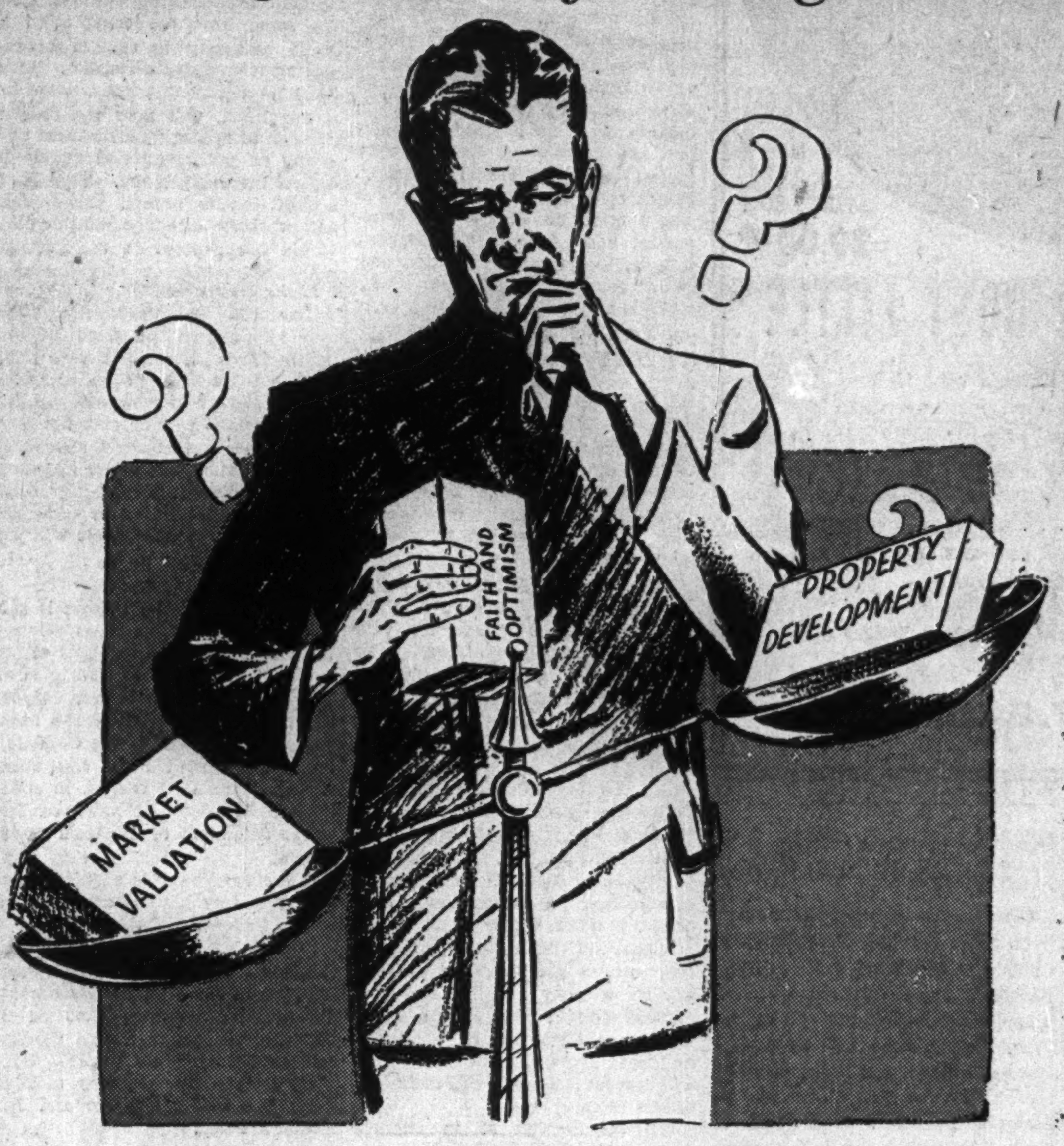
Brewing Corp. will make its quarterly report by September in all probability. Canada Bud officers state that increases have been shown in every period of the year over sales for the same period last year.

Russell Motor Car Co. Reduces Arrears to $2

Russell Motor Car Co. has declared the regular dividend of $1.75 a share on the 7% preferred stock, plus $1 a share on arrears. It is payable August 1 to shareholders of record July 20. This makes $4 a share paid on arrears.

Arrears are now only $2 a share.

"Missing Link" Assumes Important Role In Fast Moving Drama of Mining Market



Will the addition of faith and optimism level up the scales?

Faith and Optimism Prove Determining Factor in Levelling Scales

WORKS SOMETIMES

Some Junior Issues Found to Attract Large Doses of Blind Confidence

During the coming weeks, The Financial Post plans to discuss in these columns the broad factors behind the present intense interest in mining. It is hoped that the series will be educative without being boring; forward looking without being dogmatic; and broad in scope without being vague.

This week the current market is linked with property developments.

By WILFRID SANDERS

There once was a man who had an iron-bound "system" for gauging the market. He still has his system, and will only too readily impart advice. You can find him on Bay St.

He sells pencils for a living.

Perhaps the trouble was that his system was too iron bound, and that he adhered to it too religiously. There is a modicum of common sense in most formulas, and there are rough and ready ways of estimating whether or not the market is inflated in the case of some particular stock. However, the individual cases are so different, and any formula has to be modified so drastically to suit the particular case, that much of the utility of the formula or "system" is lost.

Making due allowances for these modifications, is there any system which can be applied to the mining market, any rule of thumb, which would give some indication as to whether or not it is on firm ground today?

Difficult to Gauge

It is, of course, fully appreciated that the mining market is exceedingly difficult to appraise, based as it is to such a large extent on nonmathematical factors. Even in the case of the veteran, established producers, it is impossible to estimate the total ore, and one can only look 2 or 3 years ahead. Then again, the price of gold is subject to economic forces of such enormity that nobody can foretell the future. Today a large section of the investing public is banking on a further increase in the price of gold and there are probably many who are banking on a drop in the gold price. Taxes are also a variant, as are governments. Such elements cannot be taken into the field covered by any formula.

But it is easier to estimate the soundness of senior gold stocks than junior. There is, for instance, the formula for estimating the price level at which senior golds should sell, which calls for the sum of 10 times dividend; 5 times earnings, and ¼ working capital per share.

Looking at Hollinger

Let's apply this formula to Hollinger. It would work out as follows:

Hollinger Consolidated

	$
10 X dividend	9.00
5 X earnings	5.00
¼ working capital	.09
	14.09
Market price (July 11)	15.25

McIntyre Porcupine

There are companies, such as McIntyre Porcupine, which have adopted a policy of building up reserves sufficient to cover the market valuation when the inevitable happens, and the mine gives out. Such companies naturally restrict their dividends in order to attain their objective. But this formula covers such cases, as will be seen, through the working capital per share. For McIntyre Porcupine, the formula would work out something like this:

McIntyre Porcupine

	$
10 X dividend	20
5 X earnings	20
¼ working capital	3
	43
Market price (July 11)	41.25

Lake Shore

Another company which has a high working capital per share is Lake Shore Mines. This company's fiscal year ended June 30, and the annual report, containing earnings per share and working capital is not yet available. Estimating earnings per share at $4.50, and working capital at $5, one gets the following results:

Lake Shore Mines

	$
10 X dividends	40.00
5 X earnings	22.50
¼ working capital	1.25
	63.75
Market price (July 11)	59.00

In all these examples, one big flaw is obvious. No allowance is made for proved, possible or probable ore reserves, which, in the case of one company might be large and in another small. Some attempt to base an estimate of market "worth" on ore is made in an article appearing in a recent issue of the Canadian Mining Journal. The writer takes the net realizable profit on the proved ore tonnage (assuming that

(Continued on page 2 col. 5)

Half a Billion In Gold Mines

When you get the pencil busy, it doesn't take long to assemble half a billion dollars worth of gold mines, marketwise. Below are some of the leading mines, showing, at present prices, the valuation put on them by the public. Some of these companies make interesting comparisons:

Company	Shares Outstand.	Market Value	Market Valuation
Hollinger	4,920,000	15.50	76,260,000
Dome	953,334	54.00	51,480,036
McIntyre	798,000	41.75	33,316,500
Buff. Ankerite	701,679	8.50	5,964,271
Paymaster	7,756,759	1.02	7,756,759
Lake Shore	2,000,000	58.25	116,500,000
Sylvanite	3,299,500	3.08	10,162,420
Teck Hughes	4,807,144	5.90	28,361,449
Macassa	2,676,068	4.45	11,908,503
Pioneer	1,751,750	8.35	14,627,112
Bralorne	1,240,000	7.60	9,424,000
Wright Hargreaves	5,500,000	8.15	44,825,000
Central Patricia	2,500,000	4.00	10,000,000
O'Brien	3,250,000	3.05	9,912,500
McKenzie R. Lk.	2,900,000	2.20	6,380,000
Beattie	4,789,884	1.35	6,466,343
Hard Rock	2,200,000	2.45	5,390,000
MacLeod Cockshutt	2,415,000	3.90	9,418,500
McWatters Gold	1,860,506	1.45	2,697,733
Little Long Lac	1,833,000	6.20	11,364,600
Red Lake Gold Shore	4,500,000	2.03	9,135,000
San Antonio	2,315,920	2.25	5,210,820
Total	......	....	486,561,546

Split in Cabinet Views Holding Up Appointments

From Our Own Correspondent

OTTAWA.—Significance attaches to the decision of the government to postpone important appointments until September. Apparently the cabinet has been unable to come to a decision regarding these appointments and the matter has been stood over until absentee ministers have returned.

The appointments chiefly concerned are the directors of the National Railways and the board of governors and the general manager of the new radio corporation.

Howe Out of Political Step

It is believed, on Parliament Hill, that the difficulty over the railway directorate has arisen chiefly because Hon. C. D. Howe, minister of transport, proposed to ignore political considerations and choose a personnel which could be assembled at 12 hours notice at Montreal.

Hitherto bodies of this kind have been chosen on the basis of geographic representation. There would be one director from British Columbia, one from the Prairies, 2 each from Ontario and Quebec and one from the Maritimes. Mr. Howe, in the interests of efficiency, preferred to have all the directors close at hand, within, say, 100 miles of either Montreal or Toronto. The delay in appointing the directorate is commonly taken to mean that Mr. Howe met with a reverse in cabinet. The decision goes over to September with every prospect that the old procedure of selection by geographic area will be followed.

Not of One Mind on Radio

Controversy also arose, it is believed, regarding the general manager of the radio corporation—the all important position in the new set-up. Several of the ministers, including Mr. Howe, are said to have favored Reginald Brophy of the N. B. C. In cabinet, however, a very strong group of ministers—including, it is believed, the Prime Minister — supported Gladstone Murray of the B. B. C. No decision was reached but indications are that Mr. Murray will get the call this autumn.

Shawinigan Net Higher In Half Year

Gross Operating Revenue $400,000 Ahead of Last Year

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co.'s gross revenue for the first half of 1936 at over $6.6 millions was nearly $400,000 greater than for the same period a year ago. Increased taxes and other charges ate into the larger earnings, but surplus before depreciation and income tax at $1,647,631 was $89,172 over that reported in 1935.

These figures are exclusively from operations and reflect record deliveries of power which the company has been making since the turn of the year. Probably the greater part of this showing is due to the marked advance in demand for motive and steam power from the newsprint mills in the company's territories. However, the asbestos industry and commercial and domestic demand have been on the upgrade, while the Shawinigan Chemical Co. has added to the power load.

Water Supply Good

In the following statement of revenue and expenses, power purchases increased by nearly $100,000 during the last 6 months. This increase represents purchase of surplus power from Montreal Power and elsewhere in order to take care of heavy demands for steam power and also to conserve water resources. While the water situation in Ontario and elsewhere has been affected by drought conditions, Shawinigan's supply is the best reported for several years. The level of the Gouin reservoir, which regulates the flow of the St. Maurice River is 7 feet higher than it was a year ago this month and is now within 3 feet of being full.

Statement of Revenue and Expenses 6 Months Ended June 30

	1936 $	1935 $
Gross revenue	6,658,489	6,276,714
Expenses:		
Less: Operating exps.	1,452,016	1,325,122
Power purchased	876,969	783,296
Water rentals	203,702	193,892
Taxes & insurance	407,610	339,290
Res. for exchange	50,000	50,000
Net oper. revenue	3,668,192	3,580,114
Fixed charges	2,020,561	2,021,655
Surplus before deprec. and inc. tax	1,647,631	1,558,459

Federal Reserve Board Hoists Reserve Quotas

In an effort to offset a possible "injurious credit expansion," the Federal Reserve Board in the United States has announced an increase in reserve requirements for member banks of 50%, effective August 15.

The action of the governing board was taken in view of the huge excess reserves which have piled up in the American banks. At present these funds amount to almost $3,000 millions. They were regarded by some authorities as a major inflationary threat.

The announcement states that the policy of encouraging business recovery by maintenance of easy money conditions will be continued.

Highlights

B. C. Policies

British Columbia is out to establish confidence in its securities, provincial and municipal, to allow orderly refinancing at reduced rates. The policies and the man behind them, Hon. John Hart. Page 10

Red Agitators

Communist brain trust to overthrow capitalism has headquarters in Toronto. How leaders succeed in fomenting relief and industrial problems in Canada and leave dupes to bear brunt of law. Page 11

Inco Expansion

Capital expenditure of International Nickel Co. in connection with its large scale expansion plan will total $12 millions. Details of this important development. Page 18

Spurned Castle

Nobody wants Casa Loma, Toronto's famous castle. Thus, city authorities who fell heir to the property following a tax sale, may be forced to wreck the mansion, sell the land for building lots. Page 20

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Hiram Walker Sales, Income, Show Increase

9-month Statement Has $5.02 Earnings Against $3.87 in 1935

PEORIA STORES GROW

Hiram Walker-Gooderham & Worts statement of earnings for the 9 months ended May 31, 1936, puts a more favorable light on the 660,000 no par value common shares than they have had for some years. The showing of $5.02 a share compares with $3.87 a share for the same period of the preceding year. Even deducting from current earnings the amount paid by the company to settle the $1 million claim made for U. S. taxes in the prohibition period, it is apparent net income this year will exceed that of last. However, that payment will come from accumulated surplus and does not affect the current earnings situation.

Operating profit for the year ended August 31, 1935, was $4.4 millions on sales of $45.4 millions. Operating profit for 9 months of the year to end August 31, 1936, has been $4.8 millions and it is therefore apparent that sales already this year have far exceeded the total for 1935. Reports do not indicate that recent hot weather has much affected sales. What drop there has been in whisky has been made up for by gin sales.

U. S. Position Solidified

Events of the last year have aided materially in solidifying the company's position in the United States. The damage done when fire wiped out rack warehouse No. 3 has been more than made up because the company has continued to build and fill new warehouses. It is now filling its warehouse No. 6 and is rapidly adding to its ageing stores.

The company manufactured one million gallons of spirits in Canada this year and has changed its policy with regard to the stores of spirits held here. At one time half the Canadian inventory was considered as excess supplies which had to be sold in the United States before the latter developed enough aged supplies of its own. The fear was that otherwise such excess supplies would remain unsold thereafter.

No Over-supply

The Financial Post is informed by an authority close to the industry that this idea that Canada has an over-supply will probably turn out to be a mistake. The company has doubled its sales to the United States since the United States duty was dropped from $5 to $2.50 a gallon. The business is of such a nature that it is understood the company has decided to maintain its advantage of having aged liquors by replacing at one end what it takes out at the other. Even if the United States some years hence decides to raise the duty there will then be in the United States enough people liking Canadian whisky that they will still want it even if at a higher price. Or so it is hoped.

"It will be 1939 or 1940 before the United States has a large amount of 4-year whisky available," said this merchandising expert. "Well, those added years will mean that Walker's and some other companies in Canada will have lots of 10-year whisky. That extra 6 years of age will be a very strong selling point."

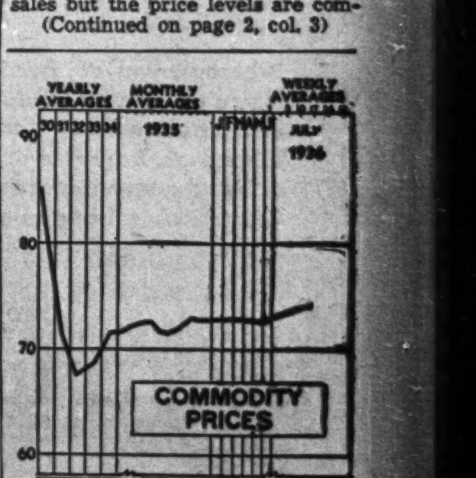
What Makes Whisky Price?

It is a mistake to suppose that the drop in the United States duty has made much difference in the sales price of whisky so far as the manufacturer is concerned. There may be great differences in retail price without affecting the distiller much.

What enters into the cost of whisky in the United States? On a 3-gallon case of whisky the federal tax would be $6 a case, the state tax would average about $3 all over the country, it costs about $1.50 to make and bottle it and the wholesaler and retailer together collect about 50% more, making a price for retail purposes of $16 a case. All that the distiller puts into these new, young whiskies is $1.50 a case. If there is to be a reduction in price it has to come out of the taxes and the wholesale and retail spread.

For the larger companies the situation is sounder because the mushroom companies are dying off one by one. The well-financed companies with a background of experience are coming forward in sales but the price levels are com-

(Continued on page 2, col. 3)



PRICES ADVANCE

Wholesale commodity prices advanced sharply to 73.9 in the week ended July 10 from 72.7 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

AT EATON'S

3-PIECE SUIT 20.00 each

COOL CLOTHES COST LITTLE

When you wear one of Eaton's cool lightweight tropical worsted suits the open porous texture lets the air sift through! Leaves your body free to breathe! And because they are well tailored from a good grade of all wool material they hold their shape! See them today . . . we have a splendid range of smart shades and patterns in single and double-breasted models. Sizes 36 to 44.

These suits may be purchased on Eaton's Budget Plan if desired.

Second Floor
James Street

THE T. EATON CO LIMITED

Winnipeg Stocks

(Transactions from July 5 to July 11)

	Sales	High for period	Low for period	Close July 11
Can. Fire	20	75.00	75.00	75.00
Can. Rand.	1,500	.13	.12	.13
Cons. Goldfields	13,800	.33	.32	.32
Clover Gold	125	.15½	.15	.15
Flin Flon	7,800	.26	.24	.24
Cryderman	40,450	.09	.09	.09
Gold Lake	11,734	.45	.35	.38
Geneva	25	1.45	1.45	1.45
Gurney Gold	2,500	.49	.46	.46
Gold Island	2,000	.20	.20	.20
Gt. West Life	7	395.00	395.00	395.00
Laguna	100	.62	.62	.62
Lafayette	500	.05	.05	.05
Kingfisher	2,800	.03	.02½	.02½
Island Lake	1,400	.05	.05	.05
Jowsey Island	1,000	.14	.14	.14
Optic Lake	80	1.75	1.60	1.65
Ore Grande	13,800	.19	.15	.17
Knee Lake	500	.03	.03	.03
Scattergood	1,000	.04½	.04½	.04½
Sachigo River	305	16.00	14.75	14.75
Packsack	500	.23	.23	.23
Rice Lake	1,500	.10½	.10½	.10½
Rice Lake Units	10	4.00	4.00	4.00
Scotia	5,500	.08½	.08	.08
United Grain	46	14.50	13.50	13.50
Wingold	12,200	.09	.08	.08½
Wylie Dom.	1,000	.45	.45	.45
Wallace Lake	5,000	.03½	.03	.03
West. Steel, pf.	40	5.00	5.00	5.00
West. Grain, pf.	10	18.00	18.00	18.00
West. Breweries	405	1.87	1.75	1.85

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Cres. Cream, pfd.	33	..
Dom. Envelope, com.	1	1½
Home Invest.	24	25
Northern Trust	8	9½

*Stocks more active on other exchanges not included.

Bank of Canada Office To Be Built Next Spring

Construction at Ottawa of the new head office building of the Bank of Canada will be started next spring. Although plans will not be completed much before the end of this year, the structure will be 4 or 5 stories in height and will cost $500,000. The Wellington St. site has already cost $80,000. It is expected the building will be ready for occupancy in May, 1938, when the lease on present premises expires.

Metal Prices

New York—July 14—
Copper: Electrolytic spot and future, $9.50.
Silver: 44¾c.
London—July 14—
(Long Ton)—
Copper: Electrolytic spot, bid, £40 15s; asked, £41 5s. Standard spot, £36 17s; future, £37 3s 9d.
Tin: Spot, £192 10s; future, £188 15s.
Lead: Spot, £15 7s 6d; future, £15 12s 6d.
Zinc: Spot, £13 7s 6d; future, £13 12s 6d.
Gold: 138s 10d.
Silver: 19⅝d.
Canada—July 14—
Gold: $34.96.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.75	4.25
Can. Invest. Fund	4.30	4.50
Can. Int. Trust	4.87	5.37

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Wherever you go, Banking Service awaits you if you carry a Dominion Bank Letter of Credit or Dominion Bank Travellers' Cheques. When abroad on business or pleasure they provide a safe and convenient means of obtaining money. Our offices in London and New York are always at the service of Canadian travellers.

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THE DOMINION BANK
ESTABLISHED 1871

C. H. CARLISLE, President
DUDLEY DAWSON, General Manager

Paid Up Capital - - - - $7,000,000
Reserve Fund and Undivided Profits $7,592,000

The Nation's Business

(Continued from page 1)

they do not is attributable to Communists who do not want any of their dupes to learn that even those on relief in Canada are better off than the majority of employed persons under a Communistic regime in Russia.

* * *

MOST Canadians do not know what Regulation 98 really said. It made unlawful any association, organization, society or corporation which had the professed purpose to bring about government, industrial or economic change within Canada by means of force, violence or physical injury to person or property, by threats and by advocacy of such methods. That would have been regarded as sedition in almost any country in any age. It would be so regarded in Russia, Section 98 was, in many ways, a mistake in Canada with its democratic tradition and devotion to ideals of free speech and individual freedom. People could not understand why it was a crime to belong to a Communist body, to talk Communism, to wear the badges of Communism, to distribute its literature, to rent a room to a Communist meeting or to publish a Communist paper.

It is true the Communist plan is to use force in achieving a revolution in Canada. But it is wiser to regard Canadian Communists as citizens with full Canadian rights when they are Canadians and to proceed against them only when they infract the law just as though they were Conservatives or Liberals doing the same thing.

That seems to be the new policy of the Ontario government. We say "new policy" because last year Ontario's attorney-general was counselling agitators to organize and express their demands even more forcibly. An article in this issue shows that the new Ontario government policy is also the one under which the Royal Canadian Mounted Police are operating and it is to be believed that destruction under such conditions, will make less advance than under the more strenuous Section 98. Communists successfully ignored every one of the 11 clauses of that section. But now they cannot use force or violence against property and the liberty of persons without going to jail just as would any other citizen. They are no longer above the law and if they will respect it nobody will or should molest them.

Without Section 98 to obscure reason Canadians should be able to see Communism as it is and to decide their attitude toward it on its merits. As a straight issue it will lose most of its appeal.

* * *

Super-Octopus Is A-Borning

THE Canadian Broadcasting Corporation, to be organized shortly, will be a business institution on an expansive scale. Its objects are set forth in a long line-up of paragraphs of "An Act Respecting Broadcasting" that number all the way from "a" to "q."

The first object is to maintain and operate broadcasting stations. At the same time the corporation is given authority to control broadcasting from private stations. Thus the new general manager, when he is appointed, will hold the unique position of managing a business and acting as policeman and regulator for all his competitors. That such a situation is unfair, paradoxical and contrary to justice and fair play would never occur to the average politician.

A huge super-octopus in the entertainment and advertising field may result from the establishment of the corporation. It will have powers to publish, "whether gratis or otherwise," papers and periodicals. Thus it will be able not only to operate government subsidized radio advertising but to sell government subsidized advertising in its own printed publications. Canadian newspapers and periodicals will pay the losses in their taxes.

* * * *

ANOTHER of the objects is said to be to "collect news relating to current events in any part of the world . . . and to subscribe to news agencies." This gives the corporation power to duplicate the news gathering facilities of the Canadian Press, the United Press and other organizations, if it wishes, in addition to broadcasting news ad lib. to the detriment of Canada's newspapers.

It is given power to acquire copyrights, to buy patents and to do a score of similar things.

If the new corporation goes the limits of its powers it will be a combination of the National Broadcasting System, a metropolitan newspaper, a national magazine, the Associated Press, the Columbia Concerts Bureau, the Century of Progress, the Folies Bergere and His Master's Voice.

Hiram Walker Sales, Income, Show Increase

(Continued from page 1)

petitive enough so that it is hard for the companies created by high-pressure stock selling to get along. Those who piled up wholesale supplies are having harder sledding than was expected.

Walkers' has put as much as $19 a share of new money into its enterprise since it started in the United States. About $9 has gone into concrete assets and about $10 has been spent in advertising and popularizing the brands. The company's sales increase bears witness that this policy is being successful.

Two Strings to Bow

It is the policy of the company now, it is understood, to maintain ample inventories both in Canada and the United States. It wants to be in a position to supply from either source for decades to come any outside demand that may arise. Those close to the company deny that there is an over-supply. That is why manufacture is resumed in Canada and why the Peoria plant, most modern and largest in the United States, is being pushed to capacity of warehouses to receive the product. The company for a year has been making from 75,000 to 100,000 gallons of spirits daily at Peoria as well as 3,000 gallons daily in Canada.

The reason for supposing that it will be 1940 or nearly then before the United States has a very large supply of 4-year old whisky is that there is not 4 years supply of 1-year whisky now in the United States. The consumption is 75 million gallons and they have 280 million gallons in store. In Great Britain there is a 7 year supply and distillers do not think they have too much. On that basis the United States has not set aside half enough as yet. If there is a surplus created in the United States it will be by people who are selling in bulk. Before prohibition the United States had supplies as high as 300 million gallons and as the population has grown, it is thought that 450 million gallons will be the high point today.

To conclude, Hiram Walker's operating position and prospects look better than at any time since it embarked on its great new ventures. The stock at 32½ is 16 times dividends but only 5 times earnings. That is a remarkable position if it can manage to maintain even its present scale of earnings. It might even increase them as popular demand for certain brands, once established, has a tendency to roll up quite fast. The next 3 or 4 years especially seem likely to be profitable ones.

For income figures see page 16.

Company Earnings

Can. General Investments

For the first half of 1936, Canadian General Investments, investment trust headed by Rt. Hon. Arthur Meighen, showed net earnings of slightly over 27 cents a share, compared with 22 cents a share in the 1935 period.

Market value of investments is up $1,552,000 over the figure for June 30, 1935, giving net assets value of $11.91 a share, compared with $9.35 a share at June 30, 1935. Values show an increase of 12.9% for 6 months and 27.4% over a year ago.

Dividends at 40 cents a share annually amounted to 20 cents a share for the 6 months.

Net profits of $127,593 were realized on sale of securities in the 6 months. This is not included in income, of course, but is added to distributable capital surplus which stands at $2,371,327.

Income and Surplus Account
6 Months Ended June 30

	1936 $	1935 $
Net inv't. income	163,344	132,665
Less: Quarterly divs.	120,118	120,118
Surp. before tax	43,226	12,547
Add: Prev. surplus	99,577	62,247
Less: Addit. inc. tax	1,018	1,149
Surp. at June 30	141,785	73,645
Investments:		
Book value	5,512,868	5,132,118
Market value	7,149,150	5,597,274
Equity per sh.	$11.91	$9.35

Rogers-Majestic Corp.

Rogers-Majestic Corp. financial statement for the year ended March 31, 1936, shows a slight improvement in net profit but gross profit was much larger and permitted the provision of twice the amount for depreciation made in the preceding year.

Working capital is down a little. The liquid position, however, has been improved by paying off bank loan of $106,000, reduction of inventory from $802,932 to $695,880, and accounts receivable from $366,028 after reserves to $334,265. Deferred current liabilities of $236,000 have been reduced during the year to $190,000. It is interesting to note that reserves against bad debts were only $20,209 as against $156,026 a year earlier.

Consolidated Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Sales & other rev.	*1,017,709	2,677,545
Less: Cost of sales	......	1,837,068
Expenses	882,154	789,774
Sink. fund prov.	......	5,000
Fees and salaries	33,710	......
Net oper. income	101,845	45,703
Less: Depreciation	96,077	41,940
Tax reserve	2,048	1,956
Net profit	3,720	1,807
Add: Prev. deficit	119,766	121,573
Less: Sink. fd. res.†	5,000	....
Deficit carried fwd.	111,046	119,766

* After deducting cost of sales.
† Reversed on redemption of bonds.

Working Capital

	1936 $	1935 $
Current assets	1,082,794	1,184,703
Current liabilities	90,827	183,551
Working capital	991,967	1,001,152
Ratio	11.92—1	6.45—1

Missing Link Has Big Role In Mine Mart

(Continued from page 1)

costs and recovery were maintained as of today) and assigns it a present-day value on the basis of a 7% return and 4% amortization. To this amount is added working capital. Applying this method to such companies as Hollinger, Homestake, and Alaska Juneau, the article shows that present market valuation exceeds the theoretical net worth of the mine by 40, 52 and 30% respectively.

"In short," this article states, "the market, which reflects the composite judgment of thousands of individual investors, is inclined to disregard proved ore limitations, and assume, until the contrary has been proved, that depletion can and will be replaced through mine development which normally is charged up to operating expenses and is not capitalized after the mine goes into production."

Optimism Often Justified

While this tendency of the investing public might at first glance appear unduly optimistic, experience has shown that it is to a great degree justified. Developing ore is a costly undertaking, and, in charging development costs to operating expenses, Canadian mining concerns are demonstrating their faith in their policy of curtailing development so that ore reserves are seldom more than 2 or 3 years ahead of the mill. Most geologists agree that in such veteran Canadian camps as Kirkland Lake and Porcupine, there is no reason to believe that the ore is not deep-seated. So that in discounting proved ore reserves, and placing a market valuation on the senior golds far in excess of known ore values, the market has some justification.

To sum up, while the formula referred to immediately above might indicate that present market valuations were largely psychological, the first formula, which ignores ore bodies, and assumes that, as a general rule, these will be maintained, indicates that today the investing public are not too optimistic in evaluating the senior gold stocks.

Different With Juniors

Unfortunately, or perhaps fortunately for investors, junior golds and prospects cannot be evaluated even to the extent possible with their older brothers. In the case of young producers, there is actually no way of telling whether the earnings will be maintained, reduced, or increased.

Take Little Long Lac Gold Mines, generally conceded to be a promising enough young producer. Ore reserves as at Dec. 31, 1935, including proved, broken, probable and possible, were estimated at 320,755 tons, with an average grade of 0.515 ounces per ton, or a total of about $5.7 millions. Add to this working capital, and one gets a theoretical worth of about $5.8 millions as compared with a market valuation of about 11.3 millions. After making due allowances for return and amortization, and if only positive and probable ore were used, the "discrepancy" would be greater still.

Suppose the formula outlined at the first of this article were applied, the results would be as follows:

Little Long Lac

	$
10 X dividends	1.00
5 X earnings	1.15
¼ working capital	0.07
	2.22
Market price (July 11)	6.20

Discrepancy Widespread

If these formulae were applied to other mining companies in the same stage of development, it would be seen that this discrepancy between market valuation and any theoretical estimate of the mine's worth is widespread. This is sufficient to show how large a portion of present-day market valuation is based on faith.

Going down the ladder one step further, and examining the developing properties not equipped with a mill, one finds an even more interesting condition.

Naturally, these prospects are not amenable to any sort of mathematical valuation. In attempting to estimate a sound basis for market valuation, one has to go largely by precedent and comparison.

Because it has been in the limelight recently, Hard Rock Gold Mines, will serve as an example. At the present time, Hard Rock is down 575 ft. and is crosscutting from the bottom level. While surface showings and drill results have indicated high assays, development has not yet reached the stage where an estimate of ore reserves is possible, nor has any announcement been made regarding a mill. At prices as at July 11 of $2.55 per share, the market is placing a valuation of over $5 millions on this property.

In April, 1931, The Financial Post carried an article on Central Patricia Mines, at the time this company was reorganized into Central Patricia Gold Mines. At that time it was estimated that proved ore reserves were sufficient to keep a 50-ton mill in operation for 2½ years. Before the end of 1932, the company was assured of funds to construct an initial 75-ton mill on which a definite start was made. Yet in that year, Central Patricia stock never went higher than 21 cents per share, the low mark being 2 cents per share. Taking the high figure, however, the market valuation of the property, assured of a mill and with a comfortable margin of ore, was only $2.1 millions, on the basis of 1 million shares then outstanding. This may be compared with a market valuation of $5 millions for Hard Rock.

Another example might be Gold Eagle, which is currently quoted in unlisted trading at about $1.95. At the annual meeting of the company some months ago, ore reserves were estimated at 25,000 tons, grading about $12 per ton, based on developments in the westerly section. Since that time, however, the company has had fairly high grade results in the east, on the 500-ft. and 250-ft levels, and directors have announced that finances have been obtained for a 150-ton mill.

After this financing, Gold Eagle will have about 2,635,000 shares of its 3 million share authorized capitalization outstanding, placing a market valuation of about $5.1 million dollars on this property. At a similar stage of development in 1933, the market placed a valuation of only $3.5 millions on Little Long Lac Gold Mines.

To take an industrial stock at random, for the purposes of comparison, Laura Secord Candy Shops Ltd., which last year earned a net profit of about $226,000 and paid a dividend of $3 per share, has, at present prices, a market valuation of less than $4 millions.

Similar comparisons could be made ad nauseum, but the broad facts would remain the same. This situation provides ample scope for argument, inasmuch as the pros and cons are numerous. There is no attempt here to draw a moral from this "discrepancy," but merely to throw the question open to this argument.

Conditions More Hopeful

It would be easy to argue, for instance that conditions today are proportionately more hopeful for junior mines than for the junior mines of 1931, 1932, and 1933. Gold is, temporarily at least, pegged at $35 per ounce; it might conceivably go higher; governments are more sympathetic, etc.

Mining is an industry which, to a larger degree than any other precludes estimates. The man who attempts to say arbitrarily, that such and such a company is not worth the price the stock is selling at, may, in a surprisingly short time, have to dig around for alibis.

The fact remains, however, that today the public does seem willing to place a higher valuation on undeveloped or partially developed prospects than in former years. Whether they are justified in so doing, time will tell.

Can. Wineries Changes Board

Closely contested fight at annual meeting of Canadian Wineries on July 10 resulted in victory for its insurgent group. Two of the old board were re-elected: F. W. Lee, former president, and A. F. MacKenzie. The new directors are Hon. W. D. Ross, Toronto; D. H. MacDougall, Montreal; F. R. Ramsay, Guelph; S. B. Gundy, Toronto; and A. W. Marsh, a former director and proprietor of one of the constituent companies making up Canadian Wineries. K. H. Smith, former general manager, had placed his resignation in the hands of the board June 30 and it went into effect as soon as the result of the contest was known. F. R. Ramsay has been appointed president and Donald Ross, secretary.

The old board went into the meeting confident of victory but found that the opposing forces held revocations of proxies given the board sufficient in number to cause a turnover. The votes of the Marsh group were all in favor of the insurgents.

The new general manager has not yet been appointed.

Boost Capital To Raise Funds For Eldorado

Will Add One Million Shares, Meeting Is Told

In order to retire bank and directors' loans, and provide additional working capital, authorized capitalization of Eldorado Gold Mines will, in the near future, be increased from 3 million to 4 million shares, shareholders were told at the annual meeting of the company held in Toronto recently. Of the new stock, 600,000 shares will be sold at 95 cents per share.

The annual report of the company showed that as at Dec. 31, 1935, 2,980,000 shares were outstanding.

Speaking on operations at Port Hope refinery of Eldorado, Mr. Pochon, director and chief chemist, stated that an order has been received from the National Radium Trust of London for 20 grams of radium. Of this total, 11 grams are for immediate delivery and the remainder to be delivered next December. In answer to a question regarding the price of radium per gram Mr. Pochon stated that the price has come down in recent years and is now about $30,000 per gram. In the year to date, he stated, the company has produced more radium than was produced in the three preceding years. The capacity of the Port Hope plant at the present time is approximately 240 tons per annum, but can easily be stepped up to 336 tons yearly. It is the intention, Mr. Pochon stated, to build up a stock of radium ahead in order to increase capacity.

E. J. Walli, mine manager, reviewed developments at the Great Bear Lake property and stated that over $1,000,000 in silver and other concentrates will be produced this year from the mine alone.

Treasury Bills

The Dominion government has sold $25 millions of 91-day treasury bills at an average cost of 0.757%. This compares with 0.798% on the previous sale, and sets a new low cost to the Dominion of this type of financing. The new sales are dated July 15, and mature Oct. 15. The average price paid for the issue was 99.80946.

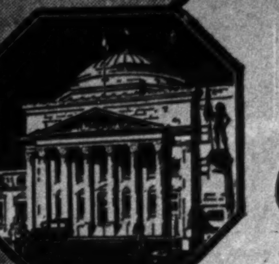
Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Stratford Ont.	July	A. E. Ames & Co.	4%	1937-46	$64,000	104	.....
Belleville, Ont.	July	Dominion Securities	4% 4½%	1937-46 1937-55	22,900 1,651	102.02	....
Dominion—							
Canada Treasury Bills	July		...	Oct. 15	25,000,000	99.80	.757%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Grey Nuns of the Cross of Ottawa	July	Comptoir National de Placement	3½% 4%	1937-47 1948-54	$200,000 171,000	....	....
Stock Issues—							
Rahill Red Lake Mining	July	Lloyd Lott & Co.	...	......	......	50c	.....
Associates Investment Co.	July	Bartlett, Cayley & Co.	5%	Pref.	2,000	100	.....



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Then man-oh-man you need cool Summer clothes. Step into SIMPSON'S today . . . you'll find a grand selection of smart Summer suits, slacks, shirts, socks, shoes and "other stuff" as up-to-the-minute as next month's "Esquire," and as comfortably cool as a refreshing Lake Ontario breeze. Beat the heat — come into The Store for Men now!

The shirt sketched is a cool gingham in a colorful, cheery plaid; smart button-down Duke-of-Kent collar, at $2. The tie is a cool-looking white linen with novelty design, at $1. Cool light-weight felt hats, in the most-wanted grey or brown shades, at $5. This season's popular ankle style socks with turn-down cuffs; in blue, white or grey, at 59c. Other cool ankle socks from 39c to $1.

Air-Cooled Street Floor.

Cool tropical worsted suits at $25 (three pieces). Genuine "Palm Beach" suits in various shades at 22.50 (two pieces). Cool "Palm Beach" sport slacks in various shades, and cream with dark stripes, at $5.

Second Floor.

Simpson's

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Tariff Planks Seek to Catch Farmer's Vote

Republicans, Democrats Leave Loopholes for Trade Pacts

ASK WHEAT BOOST

From Our Own Correspondent

WASHINGTON, D.C. — Although the latest crop estimate of the U.S. government puts the entire 1936 U. S. wheat crop at 638,399,000 bushels or roundly 15,000,000 bushels more than last year's crop, western farm organizations are already clamoring for the government to raise the present duty of 42½ cents a bushel against Canadian wheat to 75 cents. They are motivated by the cut of some 23,000,000 bushels to date in the spring wheat crop due to the withering drought, and consequent rise in prices on the Chicago market. According to the best estimates of the U.S. department of agriculture, it will probably be necessary to import some 40 to 45 million bushels of Canadian wheat this fall.

Agitators Persistent

The Bureau of Farm Federations which maintains a permanent lobby in Washington has been one of the strongest and most consistent opponents of the reciprocal trade treaties. Their secretary, Chester Gray, fought the reductions on Canadian livestock, milk, cream to the bitter end.

This organization now takes the position that unless the present tariff is increased, it will be ineffective against a flood of Canadian wheat bearing down prices on the Chicago exchange. It is very unlikely, however, that the president, who could take such action on advice of the tariff commission, will do anything tending to increase the cost of living to consumers on the eve of an election.

Farmers Lead Cry

The agitation, however, illustrates the difficulty with which any administration is faced in an effort to reduce tariffs by mutual agreement with other countries. Of late years, the organized farmers have become even more clamorous than the manufacturers. The Republican party, in the platform which it formulated at Cleveland, sought to take advantage of ill-feeling in Wisconsin, Minnesota, and other northern states against importation of Canadian livestock by incorporating in their platform a demand for repeal of the reciprocal trade agreement act.

That effort was timed to take advantage of complaints that importation of some 90,000 head of Canadian cattle in the first 6 months of 1936 had caused livestock prices to break at Chicago.

Made With Eye to Vote

It will be noted that the Democratic platform, while defending the reciprocal trade agreements and promising to go forward with them, at the same time tries to mollify the agriculturists as well as industrialists by promising them protection against "dumping" or goods produced by cheap foreign labor or subsidized by foreign governments.

Acting on this promise, President Roosevelt has been issuing executive orders raising the tariff on numerous imports from Japan and Germany, so far all manufactured goods. But there is no doubt that under sufficient pressure from farm organizations, the administration might quickly move to bar out any unusual increase in imports of agricultural products from a foreign country.

On the other hand, the Republican platform left the gate ajar just a crack by promising "the adjustment of tariffs with a view to promoting international trade" which, of course, could mean nothing except tariff reductions by mutual negotiation and agreement.

Landon Takes Hand

It is well known to the insiders that this clause was insisted upon by Governor Alf Landon, the Republican candidate, himself. The point is that, in spite of the Republican platform, in the event of Mr. Landon's election, the outlook for improvement in the trade relations between Canada and the United States may not prove to be so unfavorable as the wording of the platform would make it appear. The fact simply is that both parties recognize the dire need of furthering trade between the republic and the Dominion but subordinate that to the necessity of gaining or holding farmers' votes in the western and northern states.

Canada Scores Doll Triumph

Youngsters in Old Country After Empire-made Toys

Back from the British Industries' Fair, S. F. Samuels, of Reliable Toy, Toronto, reports Canadian dollmakers have secured a large share of the British doll market which used to go to non-Empire sources.

Indicating the way Buy-British and Buy-Empire sentiment has seized upon the public mind, he quotes a story current at the B. I. Fair: A diminutive London miss, offered a gift of a magnificent doll which said "ma-ma" in excellent voice, checked the label showing the country of origin, held a second audition of its one-word repertoire and rejected it on the grounds that it spoke with a German accent.

Steel Co. of Canada Deposits Sinking Fund

From Our Own Correspondent

MONTREAL.—Steel Co. of Canada has deposited with the Royal Trust Co. $412,584 to be used for purchase of bonds for the sinking fund. It is unlikely the trustee will be able to buy bonds below the call price of 110, so that the par value of bonds to be redeemed will be in the neighborhood of $371,326, which will reduce the amount outstanding to around $3.1 millions. This is in contrast with the original issue of $10 millions in 1910.

Parrying for Favor

The views of the 2 great political parties in the United States on the question of trade agreements are of particular interest to Canadian agriculturists and businessmen. Here they are as adopted at the recent conventions of the Republicans in Cleveland and the Democrats in Philadelphia.

Republican

WE WILL repeal the present reciprocal trade agreement law. It is futile and dangerous. Its effect on agriculture and industry has been destructive. Continuation would work to the detriment of the wage earner and the farmer. We will restore the principle of the flexible tariff in order to meet changing economic conditions here and abroad, and broaden by careful definition the powers of the tariff commission in order to extend this policy along non-partisan lines. We will adjust tariffs with a view to promoting international trade, the stabilization of currencies and the attainment of a proper balance between agriculture and industry. We condemn the secret negotiation of reciprocal trade treaties without public hearing or legislative approval."

Democrat

WE SHALL continue to foster the increase in our foreign trade which has been achieved by this administration; to seek by mutual agreement the lowering of those tariff barriers, quotas and embargos which have been raised against our exports of agricultural and industrial products; but continue as in the past to give adequate protection to our farmers and manufacturers against unfair competition, or the dumping on our shores of commodities and goods produced abroad by cheap labor or subsidized by foreign governments."

Extends Exemptions To Assist Generosity

Hon. Chas. Dunning, Minister of Finance, had a field day in the Commons explaining changes in the Income War Tax Act.

Members passed without discussion the increase in the corporation rate of tax from 13½ to 15 per cent and where a consolidation is permitted an increase from 15 to 17 per cent. They agreed to the rate of interest on unpaid installments of tax being reduced from 6 to 5 per cent and the further 4 per cent penalty rate of interest on unpaid overdue tax being reduced to 3 per cent.

Tax Dodging by Giving

A long discussion took place on the gift tax. The intention of this tax is to reach people who divide their property and give large portions of it to their children during their lifetime to get their incomes in the lower brackets.

Amendments at the present session provide that a yearly payment shall be made on gifts during the year. Originally the tax was payable at the time the gift was made, but the rate of tax on the individual gifts was determined by the total of the gifts during the year. Thus a tax might be paid on a gift made early in the year and the rate payable on the first gift would be increased by every subsequent gift. Under the new arrangement the exact rate and annual amount will be known and one payment clears up the whole matter.

Personal $1,000 Gifts Exempt

There was some difference of opinion as to the meaning of the clause providing "that gifts to any one person which in the aggregate do not exceed $1,000 in the calendar year be exempt from the provisions of the gift tax."

In past years, exemption has been granted on a yearly aggregate of gifts up to $4,000. It was urged that the exemption was not sufficiently high because it acted as a deterrent to charitable giving. The $4,000 exemption still is retained for general gifts but it does not affect the exemption relating to gifts to any one person of $1,000 or less. The Minister of Finance, states that a man may now make fifty or more gifts if he likes to individuals if each gift does not exceed $1,000 and such gifts will be exempted from the tax.

The new arrangement is in line with the general principle of the income tax law with regard to charitable contributions. Under the Income War Tax Act as it stands one can claim exemption up to 10 per cent of one's income in respect to charitable contributions made to recognized charitable organizations. But hitherto a man supporting former employees and relatives other than those in the exempted class would nevertheless be taxed. Generosity to needy individuals is thus encouraged under the new amendments.

One Tax Sufficient

Hon. R. B. Bennett argued that the tax on gifts should not apply to gifts from income at all. One tax on a man's income was enough but if there was to be put a tax on gifts whether for $1,000 or much more it was a brake on generosity. The selfish man who did not give anything away would not have to pay that tax while the man who tried to help young fellows through college or to tide some family over a difficult period by giving them a payment, would have to meet a gift tax of eight per cent or thereabouts. A tax on gifts from capital which might be intended to evade taxation was in a different category and should be taxed. But a man with large income who gives more than $1,000 out of it to someone may have already paid 30 per cent tax on it in Dominion and provincial income taxes and surtax. The gift tax would lead many generous men to change their giving policy.

The tax on gifts will remain for both gifts from income and capital, however, but the arguments against a tax on gifts from income will be considered carefully to see if something cannot be done in next year's budget, the minister said.

General approval was expressed by members of the amendment exempting from income tax for 3 years after commencing production any metalliferous mine that comes into production between May 1, 1936, and January 1, 1940. The minister is to determine "under appropriate regulations" the date of commencement of production and the properties, new or old, that shall be determined as having come into production, "having regard to the production of ore in reasonable commercial quantities."

There was some difference of opinion as to what "reasonable commercial quantities" would be. Hon. Mr. Ilsley thought it would be when the mine has a net profit. Mr. Heaps thought it should be determined on the gross profits. Hon. Mr. Ilsley admitted that there might be some difficulty and the matter would have to be carefully considered.

Tax on Investment Companies

Investment holding companies whose shares, except qualifying shares, are held by non-residents are to be taxed at 7½ per cent, half of the corporate rate of tax imposed upon Canadian companies. The five per cent tax on dividends paid to non-resident shareholders generally will not apply to shareholders of investment holding companies.

The change is adopted to deal with the situation of holding companies owned by non-residents and having no assets in Canada. Since the war a number of companies have chosen to incorporate in Canada because they liked Canadian laws and what seemed to them the political stability of the Dominion.

No Assets in Canada

Up to 1933 such companies paid no taxes. Then a 5 per cent tax was imposed on interest or dividends paid by Canadian corporations to non-residents, the tax being deducted at the source. The result has been that the publicly-owned financial or investment companies have been contributing 5 per cent to the treasury on their distributed earnings while the personal companies have not paid any tax when they allow income to accumulate. The latter class are now being excluded from the operation of the Act. In future they will have to pay on the income as it is earned.

It was pointed out by Mr. Dunning that the old five per cent provision taxed these companies or their shareholders whenever they decided to distribute their surplus in the form of dividends. Under the new law they legally will be able to avoid taxes on distribution of such assets as dividends. He pointed out, however, that some of these corporations have no assets in Canada and nothing which can be attached in this country. The government therefore took the view that it was better to tax the revenue as it comes in rather than to rely on receiving taxation from them as they pay out the revenue at some future time.

Increasing Taxpayers

The Minister hopes to increase revenue by forcing these companies into the tax-paying class. The amendments also encourage investment holding companies of this kind to invest in Canadian securities.

The income tax on investment holding companies does not apply to Canadian companies which have their assets and business outside Canada if they are individual corporations and not investment companies. They are exempt from the income tax but the tax of five per cent must be deducted from dividend remittances to non-resident shareholders. Such companies, however, may elect to come under the new taxing provisions for investment holding companies with 95 per cent of their shares held out of the country. In that case the tax on dividends would be dropped, but the election would not be permitted unless tax since 1932 had been equal to five per cent of income. Enough to make it equal to five per cent would be collected from such companies.

Taxing to Limit

The Minister replied that every effort was made to see that taxes were paid on income derived in Canada. He disagreed that it was difficult for a wealthy Canadian leaving Canada to take his wealth with him. Any good lawyer could show him how wealth can be converted into portable forms.

The amendments are considered to have come into force at the outset of 1935 "and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods." It was pointed out that this would force a company which had its year ended on January 1 or January 2, 1935, to pay income tax for 1934 as well as for 1935. The Minister said that such companies would have to do that but whenever the country is able to reduce the tax they would benefit the other way.

The new measures prevent the evasion of tax on dividends by an investment holding company issuing non-interest bearing debentures and then redeeming these. This was a method of getting earnings out of a company and evading taxation legally. Very substantial sums were remitted to bondholders abroad in this way.

Canadian Cottons Co. Renews Power Contract

From Our Own Correspondent

MONTREAL.—Canadian Cottons Ltd. has renewed its power contract with Maritime Electric Co., calling for a minimum delivery of 2 million kw.h. at a rate of 1⅓ cents per kw.h. The old contract terminated November 1, 1935, and the new agreement is understood to be on substantially the same basis.

Montreal Power Sales Are Higher

Power Demand to Date Ahead of Last Year — Gas Sales Still Lag

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power reports further increase in electric consumption in the Montreal area.

Output last month was 77.2 million kw.h., as against 73.7 kw.h. a year ago, an increase of 4.68%.

For the first half of the year, production at 530.9 million kw.h., was over 32 million kw.h. greater than for the corresponding period of 1935, an increase of 6.5%. These figures do not include secondary or export power.

Gas Still Lags

Gas production continues to lag behind last year. During the first half of 1936 output was 2,631 million cubic feet as compared with 2,649 million cubic feet for the first half of 1935, a decrease of .69%.

Godbout Overlooks No Bet In Appeal to Quebec Voter

From Our Own Correspondent

MONTREAL.—Premier A. Godbout's pre-election programme offers the Quebec voters "the world with a little red fence around it" provided he votes for the present administration.

If elected next month Hon. L. A. Taschereau's successor will offer:

$5 millions more on colonization;

$2.5 millions on rural drainage;

$10 for every new acre cleared and brought under cultivation;

Premiums of 3 cents a pound on butter and 1½ cents on cheese produced within the province;

Premiums of $1 and $1.50 each for "bacon" and "select" hogs produced and up to $100 each for remodelling old or building new piggeries;

Minimum scale of wages for all workers;

Extend rural credits;

Give widows and orphans pensions;

Subsidize beet sugar refineries;

Educate a child in every big family;

Abolish the Dillon Law. The Dillon law requires the complainant in an election contestation suit to post a $1,000 bond personally.

Reform the Companies' Act;

Provide for honest elections;

Put the stub back on electoral ballots;

Force reduction of electricity rates;

Reform the administration of Montreal; and

Provide for the future of the University of Montreal.

There is something for everybody, but mainly the programme outlined by Premier Godbout is drawn up to appeal to the farmer-voter. The administration is not likely to receive much support from the urban centres, hence the forceful appeal to rural areas.

Soo Line Loan Date Extended

C. P. R. Subsidiary Helped as Result of Distress in Territory

From Our Own Correspondent

MONTREAL.—A series of crop failures and the economic depression in the area served, have not enabled the Minneapolis, St. Paul & Sault Ste. Marie Railway to improve its financial position and, accordingly, steps have been taken to relieve the company of some of its more pressing obligations.

The Reconstruction Finance Corp.'s loan of $5 millions to the road has been extended from August 1, 1936 to July 1, 1938. In approving this extension the Interstate Commerce Commission cited that over $71 millions of the road's first consolidated mortgage bonds will mature July 1, 1938, and said "a financial reorganization at that time would appear to be necessary."

"Present indications," the ruling continued, "are that the Canadian Pacific Railway will continue to furnish financial aid enabling the Soo line to meet current requirements."

"Thus," it added, "an immediate reorganization would not promote the interests of the carrier, creditors or the public."

In connection with the 6% secured notes of the Soo Line, the maturity date has been extended from August 1, 1936, to February 1, 1938, with interest at 5% per annum during the extension.

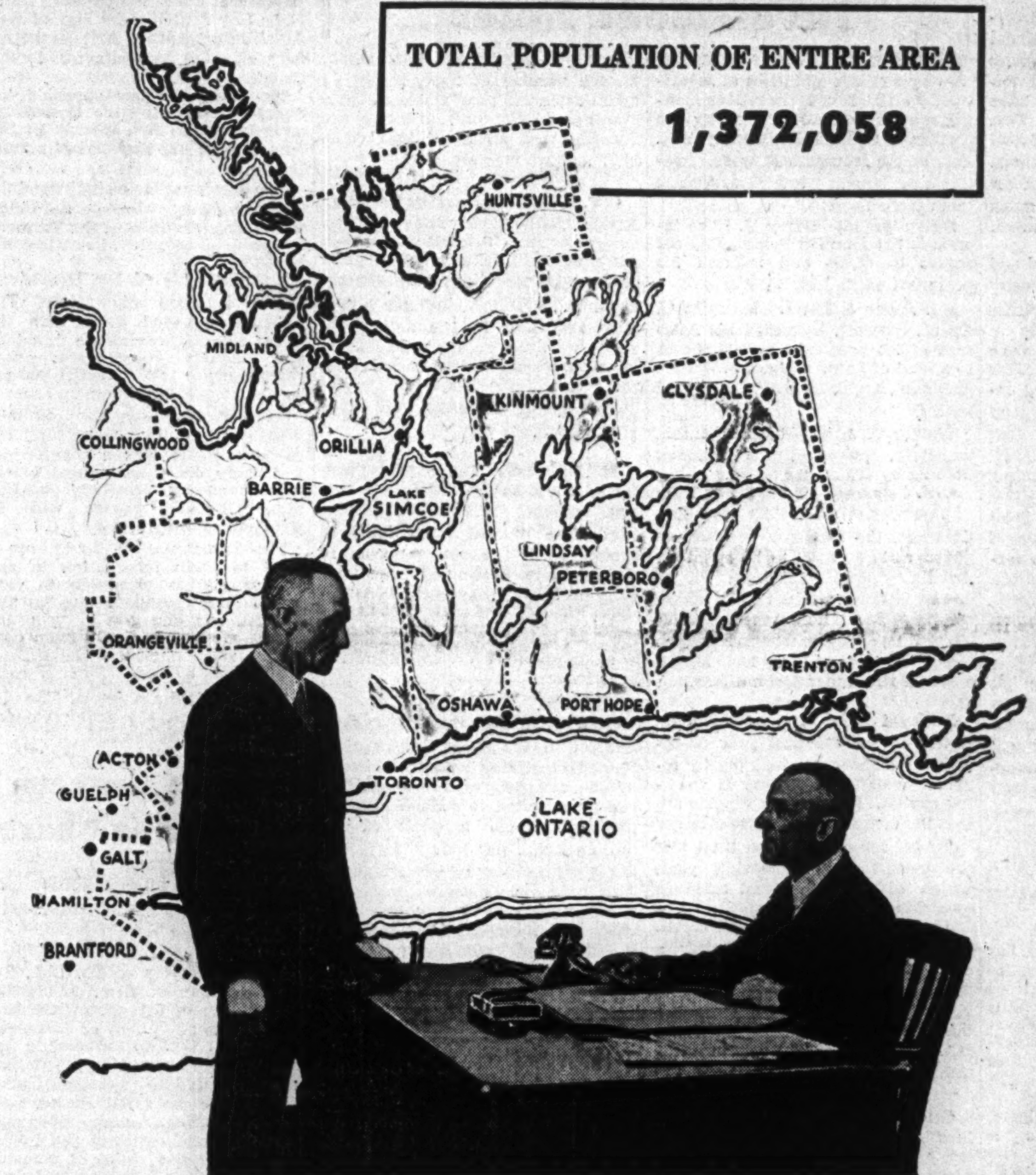
C. J. Hodgson Co. Issues Review on Securities

From Our Own Correspondent

MONTREAL.—C. J. Hodgson & Co., of the Montreal Stock Exchange and other security markets, has issued its tenth edition of "Statistical Review of Canadian Securities." This review is a handy condensation of pertinent facts on all of the listed securities. It gives such information as the number of shares outstanding, dividend rates, earnings, price ranges, and the working capital position.

Total Population of this Central Ontario Area 1,372,058 • FRENCH Population alone in Montreal Market District 1,454,380

CALL YOURSELF ON THE CARPET



The man on the carpet before you is YOU. He is proud of the sales record he has built up — from Hamilton to Trenton — from the Lakes north to Midland! He has done this and he has done that. He is riding high ... sticking pins in the map with gusto.

Then YOU (behind the desk this time) bring up the matter of the Montreal Market District and point out that this district tributary to Montreal has more FRENCH-speaking consumers than there are people altogether in Central Ontario.

That brings up the question, "Are we getting as much of the FRENCH Canadian business as the population warrants?" If you are not, what is the reason?

There is no getting away from the fact that markets are people — consumers — and sales can be as solidly built up with a group of more than 1,450,000 FRENCH as with another group of equal size but of another language.

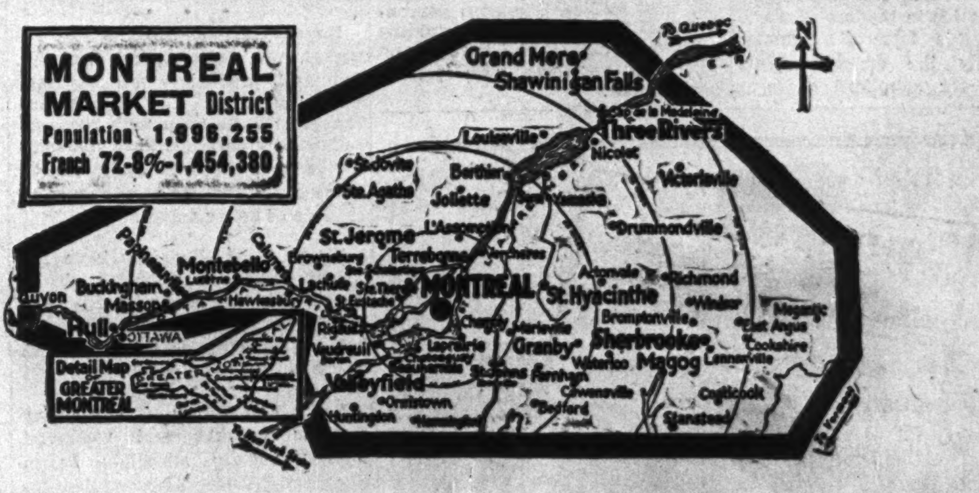
MONTRÉAL MARKET DISTRICT

1,996,255

72.8%

FRENCH

(Take a pencil and figure it out for yourself)



There is a very real entente between the French speaking people throughout this whole district. Almost every family has relatives or friends in Montreal and likes to feel that they are part of the big city, too!

Dealers in rural communities receive calls for goods — insistent calls — for lines they never handled before. It seems Monsieur or Madame Armand — (in the City) — has recommended this product; the word has gone around — and the salesman gets a welcome reception on his next call.

Dealers know what is being merchandized in the language of their customers and stock to meet the demand. Advertising that reaches consumers is effective advertising to dealers.

Once the French people in Montreal are demanding a certain brand, the whole District Market is in a receptive mood.

That being the case, the manufacturer who would like to build up another market to compare favourably with his best territory, may advisedly look more carefully into the Montreal Market District.

This FRENCH market responds excellently to sales and advertising plans fitted to its needs. Intelligent sales effort and organization backed by adequate advertising will make this French Reading market yours!

The facts presented in these announcements are compiled from Government and other authentic sources by the Montreal La Presse as part of its service to manufacturers and others who wish to develop to the utmost the trade possibilities of this important section of Canada's population.

For full information on marketing conditions write the Business Manager, La PRESSE, (Canada's French National Newspaper), Montreal or
S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont.,
The Clougher Corporation Ltd., 26 Craven St., London, W.C.2,
William J. Morton Co., New York Office: 200 Fifth Ave.,
Chicago Office: 410 N. Michigan Ave.

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Investment Trends

Share Prices Firm Despite Adversities

Holders of Select Equities Can Afford to Hang on Through Temporary Recessions That May Come—Inflation and Heat Important Influences

While stock prices have continued strong, it is noteworthy that some groups, particularly utilities, have been sluggish. Since the long-term trend of prices still appears to be upward, there is a possibility that utilities will join in the firmness but perhaps only in the course of considerable time.

Recessions that may appear is stock market levels from time to time are expected to be temporary in nature until indications appear that the long-term uptrend is reversing.

The most unfavorable developments facing stocks are the disastrous drought on this continent and the continued smoldering of the European war heap. French financial difficulties continue in their seemingly normal state of crisis, a constant threat to stability of securities. Otherwise the self-motivating forces of recovery, stimulated with inflated credit, hold promise of continued support for Canadian and U. S. stocks.

A factor in the strength of stocks in New York, contributing to firmness in Canada, is a feeling that Roosevelt may be defeated or that the administration's social experiments may be hamstrung by a combative Congress.

British Columbia may propose closer supervision of dealings in securities.

Pointing Upward?

INDUSTRIAL shares at New York have broken through the peak of 161.99 established in April by the Dow-Jones averages. The interpretation placed on this is that the rally may now carry farther before a set-back. The Toronto and Montreal Stock Exchange averages remain below their peaks of 143.5 and 78.4 respectively established in February. Should New York prices continue to rise, it would be natural for the Canadian markets to follow the lead.

Interpretations of the recession at the close of April have continued to be that it augured further recession. This has not developed, although many scrutineers of stock markets have expressed the opinion that prices appear high except for the inflationary possibilities in the American set-up. The long-term investor in prime equity securities can afford to hang on despite interruptions that may come in the main trend, which still appears to be pointed upward.

* * *

Outsiders Sell

IN MAY, security transactions show net sales of $4.7 millions of Canadian securities by outsiders. This contrasts with net purchases here by outsiders in preceding months, as recorded by the Dominion Bureau. Up to the end of May there was still a net excess of purchases by outsiders of $34.5 millions. This influx of funds has helped keep Canadian security prices firm and the reversal of the flow in May was not encouraging.

June figures are unlikely to show any great inflow of funds. The decline of western bonds in that month, due largely to a misinterpretation of an address by Hon. E. A. MacPherson, Manitoba provincial treasurer, indicated selling from the United States.

Outside money coming to Canada for investment appears to be going into industrial and mining stocks, or into secondary bonds, rather than into the highest quality of bonds.

* * *

Direction of Inflation

IT HAS been pointed out consistently in The Financial Post that the direction of the inflationary movement in the United States may be into booms or boomlets in securities and real estate, rather than into commodity prices. The reason for this probability is that there has been no such scarcity influence as war to cause a shortage of goods and sharply rising commodity prices.

At the moment, the effects of drought have been to bring a sharp rise of cereal prices. This will probably contribute to a rising cost of living, thus diverting the inflationary influence at least temporarily into commodities. However, there is little inflation in the loss of crops, which reduces farmers' incomes. Consequently the drought spells hard luck for suppliers of farm materials, including the Canadian implement companies.

Since the inflationary influence has not been marked in commodity markets, it is becoming increasingly popular to suggest that there is no inflation. This is erroneous. It is only necessary to examine the upward course of security prices and bank deposits to see the evidence of inflationary influences.

* * *

Effects of Heat

APART from calamitous drought conditions, the heat has stimulated many seasonal lines temporarily.

Breweries have profited. Brewing Corp., Canada Bud, National Breweries, Associated Breweries and Coast Breweries have experienced heavy sales. So have soft drink firms like Canada Dry, Orange Crush and O'Keefe's (Brewing Corp.), Coca-Cola and others. Dairies have had peak sales of ice cream and would not lose much from higher milk prices in urban areas.

Volume is lost in meats, bread and similar food lines, concerning many companies, when the temperature soars.

Air-conditioning has become highly popular with the public. This is the next thing to increasing installations. In this there may eventually be business for car firms like Canadian Car & Foundry, National Steel Car, in equipping sleepers. Numerous other firms that are now, or will be, in a position to supply equipment, have a huge market in houses, shops, factories, offices, hotels and hospitals. Among those affected will be Canadian General Electric, Canadian Westinghouse, General Steel Wares, and so on.

The thin edge of the wedge has been introduced. The benefits are becoming widely known. Eventually, like the automobile, air-conditioning may become a commonplace and thereby seem a necessity of modern life.

Foundation Co. Business Grows

From Our Own Correspondent

MONTREAL.—E. B. Eddy Co. has awarded a contract to the Foundation Co. of Canada for alterations and additions to the former's mills at Hull. Work is starting immediately and is expected to take the remainder of 1936 to complete. The expenditure will be in the neighborhood of $250,000.

In addition to this business, Foundation Maritime Ltd. has received a contract to salve the French motor trawler "Spitzberg" which caught fire and sank at St. Pierre et Miquelon.

At present, Foundation Co. of Canada has a considerable amount of work on hand, including the Ontario Paper contract at Baie Comeau, a $1 million Dominion government building at Halifax, rebuilding a berth in Saint John harbor, and numerous contracts with private corporations.

WILL CANADA HAVE THIS?

The new Canadian radio legislation has as its model the British Broadcasting Company. Ten years ago the British company had but a single studio in one small room. This picture shows its present modernistic home with 22 studios.

Investment Notes

THERE was a fairly even division of purchases and sales of securities by officials of corporations making returns to the U. S. Security and Exchange Commission during May. Few of the transactions were of interest to Canadian investors. Among them were these:

Burry Biscuit—Harry H. Love increased his common holdings by 602 shares to 63,006 and reduced his preferred from 1,000 to 865.

Int. Paper & Power—Malcolm G. Chace, director, increased his holdings of 7% preferred by 200 shares to a total of 2,500. Richard J. Cullen, president, acquired 500 7% preferred shares.

Walker-G. & W.—Fletcher Ruark, secretary, increased his common holding by 100 shares to 400.

Can. Celanese—Of the $1.4 million of new capital raised by Canadian Celanese, the company proposes to appropriate $750,000 to be spent on machinery and equipment to increase capacity of plant in all stages of production. The balance of $650,000 will be added to working capital, which at the end of last March amounted to under $2.6 millions.

* * *

National Steel Car — Financial statement for the past year is expected to show a small profit, together with improvement in working capital. Preliminary reports are that the company will show a larger write-off for depreciation than was the case in the preceding year, which will in turn affect earnings available on the capital stock. Since the receipt of the C.N.R. and C.P.R. orders, the company has obtained a contract for about $400,000 from T. & N. O. Railway, which will provide the company with sufficient business to tide it over until the fall, when some orders may be forthcoming from the other railways.

* * *

Canada Packers—Only the earnings and balance sheet appear in this year's annual report, but the accompanying notice states: "The usual report of the president to shareholders will be issued later." The remarks usually illuminate the livestock and food industries for the investor.

* * *

Rogers-Majestic—Results just reporter, are better than expected, although practically all earnings were absorbed in depreciation charges. While even with recovery satisfactory earnings have not been established, there is some outside opinion that the company should be capable of better things.

* * *

Moore Corp.—Earnings have improved and are expected to be shown at higher levels for this year. Consequently the shares sell close to $40 on expectations that dividends will be increased.

* * *

Laura and Fanny — While fine summer weather and week-end buying usually stimulate Laura Secord and Fanny Farmer sales, excessive heat has recently cut into volume. Sweets have been too soft to be sold.

* * *

Building Products—Stock moved up to new high ground recently, with a bid of 39¼ on the A stock. Reports issued by the government on the volume of rigid insulating board sales this year would indicate earnings of Building Products are running well ahead of 1935 when $1.27 a share was reported.

* * *

C. P. R.—Prospects of the Canadian Pacific Railway handling a large volume of grain this fall do not look encouraging at the moment. Reports of drought conditions in Saskatchewan and Manitoba indicate a possible reduction in the anticipated yield, with the result, unless there is a marked improvement soon there will likely be a small crop to handle during the next grain shipping season.

* * *

St. Lawrence Paper Mills preferred stock has shared in the current demand for newsprint securities. The present price level of around 35 is the best reported in several years. During 1935 the company broke about even on its operations. Some profit should be shown for 1936, but there is no prospect of a resumption of dividends in the near future.

* * *

Shawinigan Water and Power Co.'s interest in the newsprint industry is well illustrated by figures issued by the company on the amount of energy supplied to mills within its territory. From a peak of 116 million kw.h. per month furnished the paper industry by Shawinigan in 1929 there was a drop to a minimum of 85 million kw.h. per month in 1932. The following year this rose to 100 million kw.h. During 1934 it advanced to 115 million kw.h. and to 121 million kw.h. in 1935. For the first half of 1936 it has run at the rate of approximately 125 million kw.h. per month.

* * *

Price Bros.—Rumors in connection with Price Bros. & Co.'s affairs have died down of late. However, there would seem to be a closer understanding between the 2 conflicting groups and when the scheme of arrangement is finally announced, likely some time after the Quebec election, more consideration will be given to the shareholders. There has been good buying of the preferred of late in the belief that the holders will save at least half of their equity in the rearrangement.

* * *

Lake of the Woods—The company is currently reported to be doing much better than a year ago. The plan for funding the bank loans appears to have been ditched, as nothing more is heard about it. The rise in wheat values should add considerably to inventory values and if the export market develops in the way anticipated, earnings should move ahead.

* * *

Donnacona Paper—Earnings this year should be on a larger scale than a year ago. The Government's report on sales of rigid insulating board indicate an increase of 50% over last year. Newsprint business is gaining steadily. In 1933 the company handled roughly 25,000 tons. Last year the mill produced some 37,000 tons and this year the contract position has increased to about 50,000 tons.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	272.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	10.6	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
Weekly Figures, 1936:										
July 2	124.3	18.0	87.8	229.4	65.6	149.5	126.1	190.8	53.6	119.2
July 9	123.3	18.5	86.7	228.3	65.6	150.3	127.8	189.9	53.0	118.5

*High and low of years from 1929 to 1935 inclusive are based on weekly figures.
Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 14	133.84	142.26	135.45
July 13	133.50	142.51	134.31
July 11	134.22	142.09	134.84
July 10	133.90	141.50	133.30
July 9	133.21	142.43	130.89
July 8	131.90	142.63	129.93
Month ago	[illegible]	[illegible]	[illegible]
Year ago	[illegible]	[illegible]	[illegible]
High, 1936	[illegible]	[illegible]	[illegible]
Low, 1936	[illegible]	[illegible]	[illegible]

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 14	69.1	75.5	73.4
July 13	69.1	75.6	73.4
July 11	68.9	75.6	73.4
July 10	68.9	75.4	73.4
July 9	69.1	74.5	73.2
July 8	69.2	73.7	72.7
Month ago	[illegible]	[illegible]	[illegible]
Year ago	[illegible]	[illegible]	[illegible]
High, 1936	[illegible]	[illegible]	[illegible]
Low, 1936	[illegible]	[illegible]	[illegible]

Int. Paper Paid Graustein $95,696

International Paper & Power Co. paid A. R. Graustein, former president, $95,696 in the way of remuneration during 1935.

Other payments:

R. J. Cullen, his successor but then president of Southern Kraft Corp., $62,880.

J. L. Fearing, vice-president in charge of sales for I. P., $38,378.

W. N. Hurlbut, one of the senior vice-presidents, $38,378.

H. R. Weaver, treasurer, $33,094.

Privy Council Will Pass On 7 New Deal Laws

Dominion and Provincial Governments Launch Moves

NO ACTION ON ONE

From Our Own Correspondent

OTTAWA.—Only one of the 8 statutes dealt with by the Supreme Court remains unappealed. The Dominion government has decided to take 4 of the Bennett New Deal decisions to the Privy Council. The provincial governments have decided to take 3 more. Only the Trade and Industry Commission Act decision, held partially valid, remains unchallenged.

Here Are Laws

The 8 New Deal measures are: The Farmers' Creditors Arrangement Act; The Trade and Industry Commission Act; Unemployment Insurance Commission Act; Eight Hour Day Act; Weekly Day of Rest Act; Minimum Wage Act; Marketing Act, and the amendments to the Criminal Code.

The Dominion has appealed the decisions respecting the Unemployment Insurance Act, Weekly Day of Rest, Eight Hour Day and Minimum Wages.

The provinces have challenged the Supreme Court ruling on the Criminal Code amendments, the Farmers' Creditors Arrangement Act and the Marketing Act.

The objective of the Dominion's appeal is easily discernible. The decision appealed dealt with the social reform programme in which the Bennett government relied chiefly upon the treaty making power of the Dominion, under the constitution. If the Privy Council will endorse the view that the power of the Dominion to enter into and carry out international agreements over-rides provincial jurisdiction, Ottawa's power will be tremendously increased.

The provinces, no doubt, see a peril to their jurisdiction in any Ottawa statute proposing to vary contracts or control property. The Criminal Code sections and the Farmers' Creditors Arrangement Act come within this division. The appeal on the Marketing Act is being taken by British Columbia. The idea is to persuade the Privy Council that this statute is valid.

Finance Concern Offering Shares

Associates Investment Co. Shares Being Marketed in Canada

Bartlett, Cayley & Co. Ltd., Toronto investment firm, is offering 2,000 shares of 5% cumulative preferred stock; $100 par, of Associates Investment Co., an automobile finance company operating in the eastern and middle western United States. The preferred shares, each of which carries a common stock purchase warrant entitling the holder to purchase one share of common stock at various prices up to July 1, 1939.

The offering of 2,000 shares being made in Canada is part of an issue of 60,000 shares, which were originally offered in exchange for the company's 7% preferred on a share for share basis with a common stock purchase warrant attached plus one-eighth of a share of common.

Earnings of the company have been far in excess of preferred dividend requirements and for the first half of 1936 will be more than 3 times dividends on the common and preferred stock. During the current year the company increased its common dividend rate from 20 cents quarterly to 25 cents March 31 and to 37½ cents quarterly June 30, and has declared an extra dividend of 25 cents a share payable at the end of July. Common dividend payments in the first half of the year amounted to 87½ cents a share, compared with estimated common share earnings of $3.50 a share.

Gov't Starts Meat Enquiry At Winnipeg

Western Packing Co. Claims Large Firms Rule the Roost

EXPECT AUDITS

From Our Own Correspondent

OTTAWA.—A test case under the Trade and Industry Commission Act has been taken by the government. This statute is being used to carry out a detailed investigation into the operations of meat packing companies in Greater Winnipeg.

The Act is administered by the tariff board so that all that really is involved is an enquiry by the board into the Winnipeg operations of this industry. Due to the fact that members of the board are away on vacation, little has yet been done. George S. Laing and Co. accountants of Winnipeg, have been instructed to look over the books of the packing companies and submit a preliminary report to the board.

Winnipeg Complaint

There has been some delay in starting audit work because clarity in the allegations against large packing firms is lacking. It is understood that president Herman V. Kobold, of Western Packing Co., Winnipeg, is complaining that large packers have conspired to make things difficult for small firms.

When the precise charges are outlined so that the information to be sought by audit is definite, investigators are expected to start their work. This may be done some time in August. The investigation proper is unlikely to begin until autumn.

Competition Keen

Large packing firms say they welcome the opportunity to bring out the facts. They admit that there has been competition in Winnipeg, but say that this sort of thing occurs in various centres several times a year. The cause ,it is said, is that large runs of livestock lead to over- buying; that the influences that lead one firm to buy heavily lead others to do the same; that the natural consequence is keener competition in selling.

Large firms such as Burns & Co., Canada Packers and Swift Canadian Co. have been making money on their whole operations, which is cited as evidence that on the whole the business is operated soundly.

The known facts with respect to the difficulties of the packing industry at Winnipeg shed little if any light on the purpose of the government. Something in the nature of a price war has been in progress in the packing trade at Winnipeg and the Winnipeg packing company, which is really a family concern operating in a small area, is experiencing difficulty in meeting competition.

Allegations and Evidence

The firm has alleged that the larger packing companies are using unjustifiable means to eliminate it; that it is the victim of unethical trade practices. It alleges that the larger companies are maintaining a certain price for hogs but have hammered the price of bacon below the reasonable margin for manufacturing costs.

There is evidence to show that price competition is very keen and that the beneficiaries are the consumers. Nothing, however, points to this competition being directed toward the elimination of the weaker units; indeed the major antagonists are too strong to be destroyed in this way and continuing competition is assured regardless of what may happen to Western Packers.

Report Only Probability

All that can come of the present enquiry is a report to the government. If the tariff board, in this report, finds that cut-throat competition exists it is conceivable that the attention of the Manitoba government might be called to the situation. The "new deal" section of the Criminal Code making it a crime to sell goods lower in one part of the country than another survived the Supreme Court and it is believed are available if any government desires to launch proceedings. Such a prosecution, however would likely go to a jury and it is thought improbable that any jury would convict a packing company for selling food too cheaply.

To all practical purposes the enquiry will be largely academic. The vital sections of the Trade and Industry Act—authorizing state approval of agreements restricting production and fixing prices—were invalidated by the Supreme Court and there is no indication either at Ottawa or at the provincial capitals of an intention to appeal the decision. The present government has no intention of attempting to introduce price and production control agreements but it is felt that the act can usefully be used as a means of investigating industry.

Canada Hasn't Received Orders for War Machines

Suggestion by J. L. Garvin, famous editor of the Sunday Observer, that Great Britain should buy from the United States and Canada large quantities of airplanes, auxiliary war vessels and military equipment as well as machine tools and gauges for speeding up British domestic production of munitions has awakened a good deal of attention in the United States. In Canada no echo has yet been heard in the practical way of orders though Ottawa is now adopting a policy of changing gradually her present military organization to one having a mechanized basis. In other words, recognition of the fact that horses and mules are obsolete for much of modern warfare is causing yearly a small but steady and increasing addition to orders now going forward.

Settle War Debt

The Garvin plan is that Great Britain should negotiate a quick compounded settlement of the war debt with the United States. His idea is that it is essential to get huge quantities of munitions ready at an early date if war is to be avoided by a display of force or Britain adequately prepared for a very possible flare-up. This plan, he urges, would prevent war orders clogging up the wheels of domestic industry in England.

Ferdinand Kuhn, Jr., in New York Times, thinks Mr. Garvin's suggestion will not lead the Conservative government at present to favor spending hundreds of millions of pounds in the United States before a war begins. But he thinks that if the disintegration of Europe proceeds further the idea may be accepted. This seems to be applicable to Canada as well. The Financial Post cannot find by a hasty canvass of Canadian companies that any of them have been approached except for Canadian business.

Need Food

In Canada it is thought the need of ample food in the British Isles in time of war may possibly cause an increased demand in Canada for wheat and food products which are not perishable.

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N. W. Utilities Sales And Profits Improve

Winning Out Against Coal in Selling Gas for Heating

Northwestern Utilities, Ltd., is making steady advance in its efforts to secure heating business in Edmonton and elsewhere in competition with coal. The sales of gas and the company's revenue are increasing and, in view of the fact that Calgary with the same population uses twice as much gas as Edmonton, executives are confident that there is a large undeveloped market to exploit in Edmonton and district.

The company has a perpetual franchise subject to purchase by the city in 1945 and at the end of every 5-year period thereafter. The company's engineers and geologists state that the proved reserves of gas at Viking and Kinsella are enough for at least the next 50 years. The utility board accepted that view and in 1936 on the company's application it changed the amortization scheme from a 30 to a 50-year basis.

Why Working Capital Low

The company sets aside for sinking fund every year a certain amount and accumulates interest thereon at 4%. This fund is available for capital extensions for investments in interest-bearing securities and eventually for return of capital. So far the fund has been used for capital purposes and is represented by assets. After providing for amortization, interest on bonds and bank loans the company carried to earned surplus $19,277 in 1934 and this had increased to $79,492 at the end of 1935.

The company's balance sheet for 1935 shows a working capital deficiency. H. R. Milner, president, explains this, in response to enquiries, as the result of the very low price at which coal has been sold in the territory of the company since the depression and the litigation resulting from the Corona Hotel fire in February, 1932.

The company has now made way against the coal competition but the Privy Council decided adversely to the company's claim on the Corona case, and it has compromised the claims "in a reasonably satisfactory manner" and has paid practically all the claimants out of current revenue and without bank borrowing. The net loss on the Corona fire to the company, including its own costs and expenses, was about $200,000.

These detrimental factors are regarded as water that has passed under the bridge. Better results are now hoped for.

Judge Alters C. P. S. Ruling

From Our Own Correspondent

VANCOUVER. — Mr. Justice Denis Murphy has varied his judgment dismissing an action against Canadian Public Service Corp. and other defendants, to the extent of holding that a voting trust agreement for the control of the company and entered into on Nov. 8, 1934, was ultra vires the company.

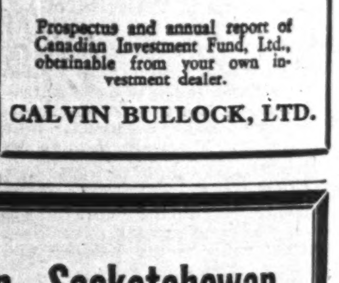
As a result of this judgment, the plaintiffs, A. Deyo Clelland, A. C. R. Yuill and Utility Securities, Ltd., all of Vancouver, have been granted an injunction which restrains Canadian Public Service Corp. from expending any money in compliance with the agreement or from carrying it out in whole or in part.

The original judgment, dismissing plaintiffs' action for removal of defendant trustees and for a declaration that the voting trust agreement was invalid as affecting all defendants, stands. This was the principal issue in the 20-day trial.

Dividends Declared

	This payment	Date payable	Date of record
Anglo-Can. Tel. p.	87½c	Aug. 1	July 15
Agnew Surp.	20c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Belding Cort.	$1	Oct. 1	Sept 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Beatty Bros., 1st pf.	$1.50	Aug. 1	July 15
B.C. 'Phone, 2nd p.	$1.50	Aug. 1	July 17
Buff. Ankerite	5c	Aug. 15	Aug. 1
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Calgary Power, pf.	$1.50	Aug. 1	July 15
Canada Bud	40c	July 20	June 30
Can. Bronze	25c	Aug. 1	July 20
Do., pref.	$1.25	Aug. 1	July 20
Can. Dredge	$1	Aug. 1	July 16
Can. Nor. Power	30c	July 25	June 30
Can. Industries, A & B	$4	July 31	June 30
Do., extra	75c	July 31	June 30
Coast Breweries	23c	Aug. 1	July 17
Crown Cork	20c	Aug. 15	July 31
Dome Mines	50c	July 20	June 30
Do., extra	50c	July 20	June 30
East. Theat., pfd.	$3.50	July 31	June 30
Humberstone Shoe	50c	Aug. 1	July 15
Harding Carpets	†5c	Aug. 1	July 15
Howey Gold	2c	Aug. 8	July 8
Inter. Nickel, pfd.	$1.75	Aug. 1	July 2
Imperial Bank	$2.50	Aug. 1	June 30
Inter. C. Bak.	$1	Aug. 1	July 21
Inter. Utilities, pf.	$1.50	Aug. 1	July 20
Do., $3.50 pf.	75c	Aug. 1	July 20
Island Mtn. M.	†5c	July 31	July 15
Mont. L. H. & P.	38c	July 31	June 30
Nat. Biscuit	40c	Oct. 15	Sept. 11
Do., pref.	$1.75	Aug. 31	Aug 14
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
Rolland Paper	$1.50	Sept. 1	Aug. 15
Russell Motor pf.	$1.75	Aug. 1	July 22
Do., arrears	$1	Aug. 1	July 22
St. Law. Flour c.	50c	Aug. 1	July 20
Do., pf.	$1.75	Aug. 1	July 20
Steel of Can.	43¾c	Aug. 1	July 7
Do., pref.	43¾c	Aug. 1	July 7
South. Amer. Gold	10c	July 29	July 15
South. Can. Pr. c.	20c	Aug. 15	July 31
Simpson's pfd.	$1	Aug. 1	July 22
Toburn Gold	2c	Aug. 21	July 21
Weston, Geo., pfd.	$1.25	Aug. 1	July 20
Ymir Yankee	3c	Aug. 1	July 10

†Initial.



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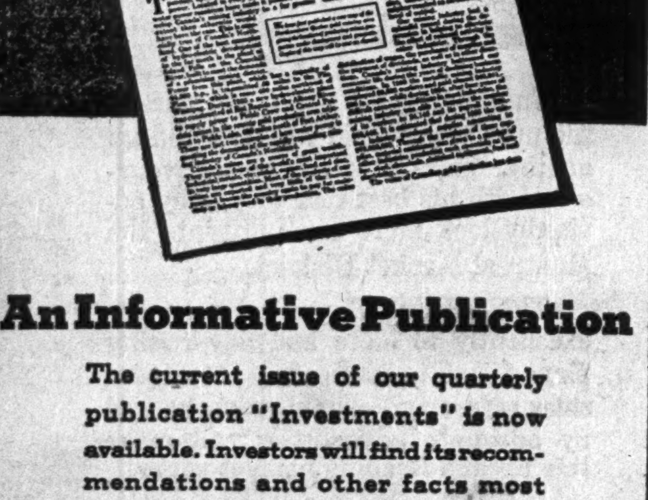
PARCEL B, being 120 acres in S.W. ¼ 4-37-5 W. 3rd, being immediately north of said parcel A and consisting of valuable garden land suitable for future residential purposes or for large industrial sites being readily accessible to both railways. Said land is available en bloc or in areas to suit purchasers—blue prints of proposed plans of survey and description of land will be sent on request. All land is within City limits. Parcel A adjoins Provincial Normal School and Robin Hood Mill sites and both parcels flank fine residential areas—land has earning capacity for market garden purposes pending more permanent future use.

TENDERS in writing for all or any part will be received up to October 10th, 1936—no tender necessarily accepted.

Address all tenders to George Allen Martin, Receiver and Manager, City of Saskatoon Real Estate (Drinkle) Corporation Limited, Saskatoon, Saskatchewan, or to his Solicitors, Stevenson, McLorg and Bence, Birks Building, Saskatoon, Saskatchewan.



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Bond Markets

Bond Prices Advance To a New High Level

Prices of British Columbia and Manitoba Issues Rise, Reflecting Improved Market Sentiments

Despite the usual summer quietude in trading, bond prices continue to advance, The Financial Post indices for high grade government bonds and for corporation bonds rising to new highs.

Western provincial issues have followed an erratic price trend. Alberta and Saskatchewan issues have been eased off slightly while Manitoba and British Columbia issues have strengthened. In the case of the latter 2, the rise in the market reflects improved sentiment with regard to the financial position of these provinces and their fiscal policies.

Profits are being made in long-term bonds offered in recent months. In almost every case price rises have been recorded. One of the most active of these issues has been Dominion of Canada 3¼% bonds due 1966 which has advanced 2½ points above its offering price. In some instances, new issues of high grade long-term bonds have been purchased as a short-term speculation, profits being taken almost immediately.

Defaulted newsprint bonds continue to retain the leadership in the corporation field, prices recording further increases.

Cheap Money to Continue

MOST financial experts are of the opinion that low interest rates will continue for some time, and perhaps for several years.

The prime factor in keeping interest at as low a rate as possible will be the need of governments for cheap money. Despite buoyant revenue and reduction in some expenditures, indications are that the federal deficit will continue large for at least a year or two. In addition, there are short term treasury bills which must eventually be funded into long term obligations and large maturities falling due next year which will have to be refinanced. For this reason it is expected the federal government and the Bank of Canada will do everything in their power to keep money rates extremely low.

* * *

Municipal Defaults

THE Moose Jaw Times-Herald is somewhat critical of bondholders for forcing municipalities into default rather than giving them some measure of relief, such as a cut in interest, in order to enable them to avoid the stigma of default.

Bondholders for the most part are reasonable persons and most willing to assist a municipality in avoiding default if that municipality can show that its taxpayers are definitely over-burdened after every effort has been made to reduce other expenditures.

The difficulty is, however, that in the case of most municipalities which have defaulted or are in the danger of default no concerted effort has been made by municipal authorities to reduce expenditures. This is true of Vancouver, where an interest cut is proposed. Early in 1935, Thomas Bradshaw, prominent municipal authority, made an investigation of the Vancouver situation and reported that the picture was not as bad as painted. He made certain proposals, which would have been acceptable to bondholders, to alleviate the city's difficulties, but the city turned them down. The city wanted a substantial cut in interest or nothing.

In other words, the bondholders in a great many cases are being asked to take a heavier loss than is really necessary if economy were to be practised by the municipality.

* * *

Market Trends

THE trend of the market for high grade government bonds is indicated below:

The Financial Post Average Price and Yield for High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
July 14	116.74	3.084	July 13	113.03	3.495
July 13	116.74	3.084	July 12	113.06	3.498
July 11	116.73	3.086	July 11	113.04	3.501
July 10	116.73	3.086	July 10	113.01	3.505
July 9	116.67	3.094	July 9	112.99	3.508
July 8	116.67	3.094	July 8	112.98	3.510
Year's	116.74	3.096	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Price advances in corporation bonds, although fractional, have been sufficient to carry the index to a new high. Many high grade issues are now selling 2 and 3 points above their call price.

Index of Corporation Bond Prices

July 14	103.14
July 13	102.75
July 11	102.72
July 10	102.72
July 9	102.62
July 8	102.53
July 7	102.59

Bond Sales

Belleville

City of Belleville, Ont., has sold $24,551 of bonds to the Dominion Securities Corp., Toronto. The bonds are divided into 2 groups consisting of $22,900 of 4% bonds due serially 1937-46, and $1,651 of 4½% bonds due serially 1937-55. Bids were:

	Bids 4's	Bids 4½'s
Dominion Securities Corp.	102.02	104.25
C. H. Burgess & Co.	101.83	....

Stratford

City of Stratford, Ont. has sold $64,000 of 4% debentures due serially 1937-46 to A. E. Ames & Co. at 104, or a net cost to the city of 3.2%. Bids were:

	Bids
A. E. Ames & Co.	104.00
J. L. Graham & Co.	103.417
Harrison & Co.	102.57
Bartlett, Cayley & Co.	101.58
R. A. Daly & Co.	101.29
Dominion Securities Corp.	101.07
Bell, Gouinlock & Co.	101.00

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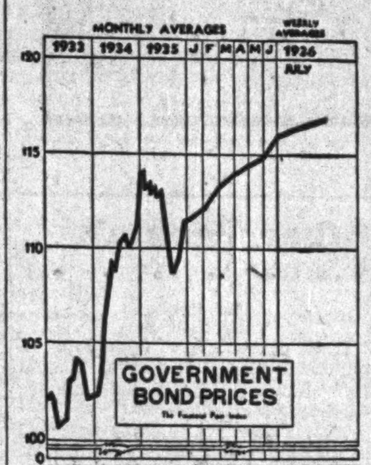
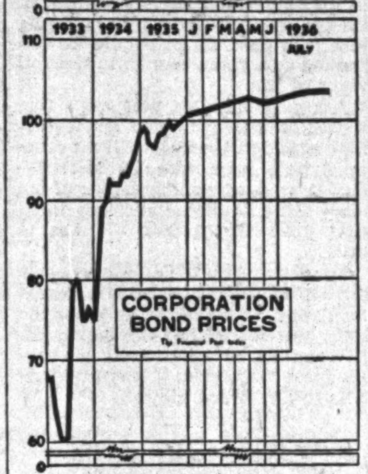


GOVERNMENT BOND PRICES
The Financial Post Index



CORPORATION BOND PRICES
The Financial Post Index

Rail Terminals Bondholders Get Payment

They're Receiving 62 Cents on Dollar Less ¼%

Disbursement is being made by Toronto General Trusts Corp. of purchase money paid into court for assets of Canadian Rail & Harbour Terminals.

First mortgage bondholders may obtain payment of 62 cents on the dollar for their bonds, less ¼% for costs of disbursement. The current payment, therefore, represents a net amount of about 61.84 cents on the dollar.

Later in the year there will be another payment made to holders of first mortgage bonds. At the time the company went into receivership there was some $210,000 in cash on hand belonging to bondholders and this will be paid out when the precise amount and costs have been settled by the court.

Payments and Transfer

Part of the cash belongs to holders of 7% general mortgage bonds. They get nothing out of the mortgage sale of the property and receive only their portion of the original cash in full payment of $2 millions of bonds.

Payment to first mortgage bondholders is being made by cheque upon deposit of bonds with the trust company. The bonds will be retained by the trustee and cheques will be mailed eventually to settle the final distribution of cash.

Ownership of the big terminal warehouse properties on the Toronto waterfront was taken over as at July 10 by the group of private individuals headed by Harry E. Humphreys, Jr., New York, who acquired the assets recently after approval by bondholders.

The Canadian Rail & Harbour Terminals went into receivership in January, 1934, when it found itself unable to pay interest due March 1, 1934 on the first mortgage bond issue of $3.5 millions. Previously other interest payments had been passed.

Terminal Warehouses Ltd. is the name of the new company that will own and operate the terminals on behalf of the Humphreys group. The old staff and management will be retained with the addition of Paul C. Jones as resident chairman of the board of directors. Frank Kennedy will remain as president and general manager, and it is stated that there will be no change in operating policy of the warehouse.

Municipal Finances

Brantford, Ont., financial position showed marked improvement during the first 6 months of the year, expenditures for the period being considerably below estimates. Total expenditures for the period were $624,572, compared with estimated expenditures of $738,187. Revenue for the period was $733,146 as against a budget estimate of $738,187.

Collections of taxes, current and arrears, to July 7 amounted to $830,912. This compares with $727,937 in the same period of 1935. The increase is in part due to the fact that 1936 taxes are being collected in 3 installments while 1935 taxes were collected in 2 installments.

Expenditures on relief have been reduced approximately $70,000 as compared with the same period of 1935.

The city has no bank loans and is, in fact, carrying a comfortable credit balance.

* * *

Cap-de-la-Madeleine, Que., is paying all past due interest and principal on its bonds up to July 1, and thereafter will not be in default. In future bondholders of the city are to present for payment on maturity date their interest coupons as well as the bonds falling due without awaiting any notice from the Quebec Municipal Commission.

* * *

Essex County, Ont., as the result of a meeting of the Windsor Finance Commission and the finance committee of the Essex county council, will receive a payment of $75,000 from the city of Windsor in full settlement of the financial adjustment resulting from the amalgamation of the town of Sandwich with the city of Windsor. The county obtains ownership of the former Sandwich town hall as part of the payment.

* * *

Forest Hill Village, Ont., has decided to seek the approval of the Ontario Municipal Board involving an initial expenditure of $650,000 in the north section of the village.

* * *

Jonquiere, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of July 1, 1936.

* * *

London, Ont., collected 59.6% of its 1936 tax roll to June 30, according to a report by E. S. Houghton. Although the percentage rate is slightly higher than in the corresponding period of 1935, the actual cash collections are $21,016 lower than in the first half of 1935. Prepaid taxes total $356,527 as compared with $242,121 to June 30 in 1935.

* * *

Ottawa Separate School Board has authorized a $300,000 debenture issue for a building programme and consolidation of the floating debt. The loan will be payable in 30 days and the interest rate will be 3½%.

* * *

Parish of St. Ambroise, Que., is paying interest coupons dated June 1, 1936. Funds for this purpose have been deposited with the Banque Canadienne Nationale, Kenogami, Que.

* * *

Regina, Sask., has stopped the issuance of relief to those who come to the city from other municipalities. About 200 cases will be affected. Civic relief officials will co-operate with the government in seeing that these people receive relief, but only to the extent of acting as agent for the government and administering the relief. The city's action results from an influx of relief recipients as a result of the higher standard of relief in Regina. During the first 5 months of the year total expenditures by the city were $24,339 below estimates.

* * *

School Corporation of the Village of St. Joseph d'Alma, Que., is paying debenture coupons of July 1, 1936.

* * *

St. Benoit-Labre (Amqui), Que., is paying interest coupons on its bonds due July 1, 1936.

* * *

Windsor, Ont., during the first 5 months of the year exceeded its estimated expenditures by $178,160. The largest sum making up the increase over the estimates was for discount of taxes. The estimated amount for this for the 5 months was $50,000, with $120,000 for the entire year. The actual amount was $143,906, an increase of $93,906.

* * *

Winnipeg, Man., will be faced with a substantial increase in the realty tax rate unless new sources of revenue are found to take care of over-expenditures, the city council has been warned by Harry C. Thompson, city treasurer. Additional appropriations passed by the council since the budget was adopted have already produced a prospective deficit of $50,000.

St. James Court May Pay Bonds

Attempt to Raise New Mortgage Money May Succeed

An attempt may be made to raise new mortgage money to pay off at the full face value plus interest of the balance of $176,000 of first mortgage bonds of St. James Court Ltd., Toronto apartments.

It is understood a substantial part of the issue is held by equity owners. By putting their holdings into the equity, it would only be necessary to raise a new mortgage for part of the total issue of $176,000 to pay off public investors. Some plan of this sort is now possible of achievement.

Last year the company's earnings were equal to about two-thirds of bond interest, but no interest was paid as revenues were devoted to payment of tax arrears. These have now been cleaned up and the company is in a position to meet current 1936 taxes.

The original mortgage in 1925 was for $250,000, maturing serially, with the balance of principal due Jan. 30, 1935. On the latter date the company was unable to meet the final payments totalling $176,000 and apparently could not raise a new mortgage for that amount. The result is that the enterprise has been supervised by National Trust Co., trustee for bondholders.

The bonds have recently been selling in the vicinity of 80 to 85 despite non-payment of interest. The reason for this strength is believed to be the possibility that bonds will receive full payment with interest, and the fact that earnings are equivalent to most of the interest.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Dom. Canners ..	6%	1940	Oct. 1	110
Continental Pap	6½%	1943	Aug. 1	102½
European Elec.	6½%	1965	Aug. 1	105
Dom. T'lgraph	†5½%	1978	Aug. 2	100
Silverwood's A ..	6%	1942	Sept. 1	103
B. A. Oil	‡4%	1945	Sept. 1	102½
Toronto Carpet.	*6%	1944	Sept. 1	103
Steel of Can. ..	▲6%	1940	Aug. 1	...

†$2,900 for sinking fund; ‡$222,000; *$33,000. ▲Tenders called for $412,585.

Religious Issues

Notre D. Hospital, Montreal, 5½%, Oct. 1, 102.

1935 Tax Collections Record Improved Trend

Tax collections of Canadian municipalities recorded an improved trend in 1935, according to a report by the Citizens' Research Institute of Canada. This is the second successive year that an improvement has been shown, tax collections in 1934 having shown a gain for the first time since 1929.

The Institute's report is based on a study of tax collections of 244 urban municipalities with a population of 2,000 or more and having in 1935 a total levy of $187 millions, which is about seven-tenths of the levy for municipal and school purposes in the whole of Canada. Total tax arrears of this group, not including tax sale lands and certificates, amounted to $91.4 millions at the end of 1935, or 48% of the current levy. This compares with 50.7% in 1934, 51% in 1933 and 31% in 1930.

Larger Centres Improve

The most marked improvement was shown by the municipalities of 10,000 or more population. Total levies of municipalities in this group in 1935 were $168.6 millions. The total amount of this current levy remaining uncollected at the end of 1935 was $39.9 millions or 23.7%. This compares with 25.3% in 1934, 29.3% in 1933 and 26.7% in 1932. Total uncollected taxes, current and arrears of previous years, in this group were reduced to 47.9% of the 1935 levy, as compared with 50.1% at the end of 1934, 50.6% in 1933 and 30.2% in 1930.

A higher percentage of the current levy was collected in 1935 than in 1934 in 53 out of 67 places with a population of over 10,000 for which the Institute has comparable information. This compares with 46 out of 67 that showed improved collections in 1934. In 1933 all but 6 of these municipalities failed to collect as much of their levy as they did in 1932.

Tax Arrears

Among the larger municipalities, Woodstock, Ont., once again had the best record of collection of the current levy, only 9.7% remaining uncollected at the end of the year. Kingston and Fort William are tied for second place with 11.5%. Galt follows closely at 12% and Ottawa next at 12.4%.

Cities with the lowest per capita tax arrears are Granby, Woodstock, Joliette, Owen Sound and Shawinigan Falls, in the order named.

The proportion of the current tax levy uncollected at the end of 1935 and 1934 for the larger Canadian municipalities is shown below:

Municipality	Current Levy Uncollected at End of Fiscal Year 1935 %	1934 %	Per Capita Total Tax Arrears (*). 1935 $	1934 $
Western—				
New Westminster	26.1	25.2	18.54	18.38
North Vancouver	39.8	35.1	17.82‡	19.80
Vancouver	30.6	28.4	33.64	31.85
Victoria	20.6	22.3	18.43	21.22
Burnaby District	40.9	42.9	17.62‡	19.41
Calgary	24.9	26.2	16.99	18.76
Edmonton	21.1	27.8	26.08	31.75
Lethbridge	20.0	30.5	29.31	30.70
Medicine Hat	26.8	20.5†	42.66	28.89†
Moose Jaw	47.3	47.2	58.60	50.12
Regina	41.2	42.6	26.56	26.86
Saskatoon	39.4	42.2	35.43	34.41
Brandon	39.8	39.2	30.30	28.23
St. Boniface	33.8	27.0	25.24‡	26.16
Winnipeg	31.4	33.4	15.87‡	17.78
Ontario—				
Belleville	23.9	24.7	18.49	18.37
Brantford	21.7	25.2	14.80	16.10
Cornwall	23.9	26.4	9.26	10.75
Chatham	25.6	28.4	15.44	16.97
East Windsor	20.5	28.3	31.22‡	33.18
Fort William	11.5	?	18.66	16.74
Galt	12.0	16.4	10.75	11.13
Guelph	30.9	31.4	23.22	23.49
Hamilton	21.5	23.1	17.09	19.25
Kingston	11.5	12.3	6.82	6.31
Kitchener	14.0	15.6	9.43	11.42
London	16.6	19.0	16.53	15.52
Niagara Falls	25.2	31.7	12.41‡	32.50
North Bay	24.3	24.0	21.10	20.14
Oshawa	22.3	28.1	19.23	22.76
Ottawa	12.4	13.2	9.85	10.40
Owen Sound	15.8	13.3	6.11	7.39
Peterborough	15.0	16.0	10.64	10.31
Port Arthur	16.4	16.3	26.50	25.55
St. Catharines	20.9	22.4	16.02	15.70
St. Thomas	17.9	21.3	18.99	20.48
Sandwich	25.0	32.1	29.02‡	34.40
Sarnia	25.7	29.1	24.21	27.35
Sault Ste. Marie	24.6	25.9	16.72	17.02
Stratford	21.7	23.5	20.13	20.30
Sudbury	28.7	37.3	19.91‡	25.28
Timmins	29.2	32.2	7.92	9.75
Toronto	17.8	21.3	14.54	16.89
Walkerville	18.9	26.3	25.95	31.56
Welland	22.8	26.2	19.13	19.36
Windsor	21.2	22.8	26.60‡	38.44
Woodstock	9.7	10.4	5.00	5.49
York Township	36.0	39.2	26.59‡	35.66
Twp. East York	39.7	38.4	19.49	11.57
Scarborough Twp.	44.2	46.1	30.56‡	33.85
Etobicoke Twp.	44.7	41.9	53.30	52.50
Quebec—				
Granby	21.0▲	26.0▲	4.03	4.36
Hull	29.4▲	35.3▲	11.23▲	12.89▲
Joliette	30.4	25.0	5.35	5.65
Lachine	28.3	?	18.32	21.82
Levis	31.2▲	?	10.97▲	?
Montreal	29.7	↓	21.39	21.61
Outremont	28.6	32.3	16.67	18.53
Quebec	37.8	42.3	29.38	30.72
St. Hyacinthe	16.2▲	14.2▲	4.00	6.17
Shawinigan Falls	8.8▲	10.5▲	6.80	7.70
Sherbrooke	24.1	30.5	9.76	11.29
Sorel	26.2▲	34.0▲	3.57▲	5.14▲
Thetford Mines	15.5▲	?	11.94	12.11
Three Rivers	?	35.5	?	32.11
Valleyfield	20.1▲	20.4▲	8.10▲	8.00▲
Verdun	23.7	32.3	7.54	10.07
Westmount	21.4	22.1	26.11	26.42
Maritime—				
Moncton	27.6	27.9	13.21	13.70
Saint John	29.6	29.7	16.20§	12.75§
Glace Bay	36.0	40.9	11.34	13.70
Halifax	26.9	25.7	14.93	13.24
Sydney	32.6	35.4	17.01	20.50
Charlottetown	23.5	26.7	8.15	7.85

*After deducting any reserve for uncollectible taxes and not including tax sale lands or certificates held by the municipality.

†Shown as taxes collectible. Figures not comparable.

‡Apparent decrease in these and other cities may be due largely to registration of properties in arrears of taxes and to setting up of reserve against uncollectible taxes. Also some of the municipalities are in default and their tax levies might be reduced by omitting the whole or a part of the debt charges.

▲Based on municipal taxes only not inclusive of schools.

↓Figures not comparable owing to change in fiscal year.

§Including tax arrears for county purposes.

Quebec Power Profit Larger

Revenue This Year Reflects Growth Since Rate Reductions

From Our Own Correspondent

MONTREAL.—Earnings of Quebec Power Co., subsidiary of Shawinigan Water and Power Co. are climbing steadily, following a series of rate reductions, returns for the second quarter of 1936 showing a gain in both gross and net income over the same period a year ago.

For the 3 months ended last month, Quebec Power's gross revenue totalled $895,556, an increase of over $43,000 over the second quarter of 1935. During the first quarter of the current year the gain over 1936 was $32,000. Expenses, bond interest and other charges remain much the same, leaving a net income available for depreciation, income tax and dividends at $214,143, as against $176,012 in the second quarter last year.

Statement of Revenue and Expenses
3 Months Ended June 30

	1936 $	1935 $
Gross revenue	895,556	852,390
Less: Exps., taxes, etc.	528,314	523,920
Exchange on int.	966	324
Fixed charges	152,133	152,133
Surplus before inc. tax and deprec.	214,143	176,012

Cumulative Gain Noted

For the first half of 1936 Quebec Power had a gross income of over $1.8 million. Operating expenses, taxes and fixed charges changed little, leaving a surplus before depreciation and income tax of $479,250. This is in contrast with $393,186 for the same 6 months of 1935.

Particulars follow:

Statement of Revenue and Expenses
Six Months Ended June 30

	1936 $	1935 $
Gross revenue	1,846,435	1,770,841
Operation, taxes & other expenses	1,060,156	1,072,387
Exchange on bond int.	2,763	1,002
Fixed charges	304,266	304,266
Surplus before deprec. and income tax	479,250	393,186

Canada Northern Power Load Gains

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. added 2 new mining customers to the list during the second quarter of 1936; the Pamour Porcupine property and the De Santis Mine.

According to a report sent out by the management to shareholders, developments in the Cadillac area of Northern Quebec have been featured by "the resumption of milling operations at Thompson-Cadillac and preparations for active work at other properties, while in the Malartic area the turning on of electric power is speeding up operations at the properties of Sladen Malartic and East Malartic Mines.

Domestic Load Growing

"Rapid growth has taken place at the new Town of Val d'Or in the Bourlamaque section of Northern Quebec, where an appreciable domestic and commercial load is being built up.

"The approval by the ratepayers of the Township of Tisdale of the renewal of a franchise, ensures for the next 10 years, all the municipal, commercial and domestic power and light requirements of the residents of the Porcupine Camp will be supplied by your company, as this franchise together with those secured last year at Timmins and Whitney Township covers the entire Porcupine gold area. The population served includes the workers of the following mines: Hollinger, Dome, McIntyre, Coniaurum, Buffalo-Ankerite, Vipond Consolidated, Porcupine United and Pamour and the business communities of Timmins, Schumacher, South Porcupine and Porcupine."

Foreign Exchange

There has been a firmer tone to foreign exchange markets since late in June, although volume of business has not been very heavy. The improvement is considered to have been caused in large measure by the cessation of the outward flow of funds from France, effected through restrictive measures against exporters and hoarders of gold.

While most are agreed that devaluation of gold currencies in some form is practically assured, the probability is that this will not now occur in the immediate future. Although quotations of gold bloc currencies eased somewhat last week, the general trend over the last few weeks has been stronger. In part this is attributable to "squeezing" of speculators in the franc.

Canadian dollars were unchanged during the week in terms of American currency, and showed relatively small variation in terms of most other countries.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	July 7	July 8	July 9	July 10	July 11	July 13
U. S. dollar, High	.5906	1.00[illegible]	1.00⅛	1.00[illegible]	1.00[illegible]	1.00⅛	1.00[illegible]
Low	.5906	1.00[illegible]	1.00[illegible]	1.00⅛	1.00⅛	1.00[illegible]	1.00[illegible]
1935, High	.5906	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]
Low	.5906	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00⅛	1.00[illegible]	1.00[illegible]
U. K. pound	4.8665	5.02¾	5.02⅝	5.02¾	5.03⅜	5.03½	5.03¼
Argentina	.4246	.2713	.2732	.2723	.....	.2720	.2737
Australia	4.8665	4.0155	4.0148	4.0150	4.0185	4.0193	4.0194
Austria	.1407	.1891	.1891½	.1892	.1891½	.1891	.1890¼
Belgium	.1392	.1694	.1694⅛	.1694⅜	.1694	.1694	.1695
Brazil	.1963	.0565½	.0570⅜	.0570⅝	.0570¾	.0575⅛	.0575¼
Czechoslovakia	.0296	.0416⅝	.0416⅛	.0416⅝	.0416½	.0415⅞	.0415⅝
Denmark	.2680	.2245½	.2245⅝	.2244½	.2248⅛	.2247½	.2246⅝
France	.0392	.0664	.0664	.0664¼	.0662⅝	.0661⅝	.0662⅜
Germany	.2382	.4042¾	.4040	.4041¼	.4038	.4036¾	.4037¾
Greece	.013	.0094¾	.0094⅝	.0094⅝	.0095	.0094⅞	.0095⅝
Holland	.4020	.6822½	.6818¼	.6821⅝	.6817	.6816⅛	.6821¼
Hungary	.1749	.1997	.1997½	.1996	.1997¼	.1992	.1991⅝
India	.3650	.3825½	.3826⅜	.3825	.3825	.3840	.3827¼
Japan	.4985	.2940¾	.2941½	.2944½	.2938⅝	.2941	.2940¼
Jugoslavia	.1929	.0230¾	.0231¼	.0231½	.0230¾	.0231¼	.0231¼
New Zealand	4.8665	4.0560	4.0552	4.0555	4.0590	4.0597	4.0600
Norway	.2680	.2527¾	.2527¼	.2528	.2530	.2529½	.2529
Poland	.1122	.1901	.1903	.1903	.1901	.....	.....
South Africa	4.8666	5.0042	5.0033	5.0036	5.0080	5.0089	5.0092
Spain	.1929	.1376½	.1376¾	.1377	.1373¼	.1372¼	.1372¾
Sweden	.2680	.2593½	.2593¼	.2593	.2596¼	.2596½	.2595½
Switzerland	.1930	.3230	.3230	.3231	.3276	.3274	.3278
Hong Kong	.5422	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

United Front Is Necessary In Newsprint

Seemingly Simple Matter Stymied by Jealousies

BY N. E. WAINWRIGHT
President, Don Valley Paper Co. Ltd.

Solution of the newsprint problem lies in the hands of the newsprint manufacturers themselves.

Presuming that there is not, and will not be for some time to come, any attempt on the part of the newsprint manufacturers in the U. S. and Canada to artificially raise the price to a level that would be uneconomic, then, being on sound ground, it is a matter of fixing a price and adhering to it.

This is the crux of the whole situation, and the one seemingly simple matter which has not been accomplished, owing to internal jealousies of different interests, conflicing demands of various newsprint manufacturers, and the scramble for tonnage which has existed for some time.

What would, then, be the obvious common policy that should be followed?

Retaliation is Bogey

The truth is there is no new panacea, simply the adherence to agreements among competing units. The weak part has always been the fear that there would be a retaliation on the part of the American publishers, either the threat of a newsprint manufactured in the southern states, which is certainly a bogey not to be feared for many years to come, if ever; or the great importation of European newsprint also, which, in quantity, is negligible and can be ignored.

Why should Canadian natural resources be sacrificed at a price level which does not give a reasonable return to the investor, to labor, or to the people generally employed in the industry?

If the common united action can be achieved, and offset any possible threat which may arise from the publishers in the United States, the following should be considered:

1. Any threat of retaliatory action due to a reasonable advance in the price of newsprint should be met by the Canadian pulp and paper industry as a whole, asking unitedly to petition the government to put on an export tax on woodpulp, and pulpwood.
2. The fear of similar action on behalf of the Canadian interests would, without question, be sufficient to offset anything that might be done or attempted by U. S. publishing interests.

Sales Forces Weak

Most Canadian mills also are lacking in sales initiative, and in order to create a complete and energetic sales force, mills whose sales offices are separated from the head office should operate from a central headquarters. In this manner they can bring into being a staff which would have a definite objective and would create initiative, in place of the present situation, in which the operating units are separate from the sales forces to a degree that removes the possibility of a number of the organization aspiring to be promoted into the sales end of the business. This has always been the point of achievement to many, and particularly, as has been proved, the manufacturing and operating end has produced many of the best salesmen and sales executives.

If one end of the business is so definitely removed from the other, it limits the ambition and interest of those working for the respective companies.

Ten years ago, one price governed by the contract fixed by the 3 leading producers governed the price of newsprint. Apart from the obvious desirability of changing the form of contract to the character of 10 years ago, there is still one, and the most important, fact lacking. That is the choice of a man suitable for carrying into operation, and inspiring the need of united action, and by inspiring it, at the same time holding the confidence of the different interests.

Where is the Man?

This problem has been long recognized, but the suitable man to fill the position does not yet seem to have been trained or located.

The greed of selling agents whose sole object is to make commissions has resulted, in the course of the last 5 years, in the loss of many millions of dollars, and many instances are available where such activities can be definitely proved, including the dissemination of false information in order to persuade the individual mill concerned to reduce the price.

In other cases, carte blanche is given to a selling agent to get tonnage. In one case alone, dealing with Australia and New Zealand, an agent was the definite cause of a reduction in price of $15 a ton, which, in order to meet it, the other Canadian and English mills had to reduce their prices proportionately. Based on a demand of perhaps 100,000 tons a year in Australasia, it will be seen in more than one case, many millions have been lost through rank indifference and carelessness on the part of those supposedly conducting the sales policy of the industry.

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Board Seeks Ruling On St. Lambert's Default

From Our Own Correspondent

MONTREAL.—Quebec Municipal Commission has decided to ask the Superior Court for a judgment declaring the municipality officially in default.

Several weeks ago the municipality notified bondholders that it could no longer meet obligations in full on its funded debt. A compromise was suggested and approved by the bondholders. It was then necessary to put a special bill through the Quebec Legislature confirming the arrangement, but owing to the collapse of the Taschereau Government the Bill was not considered.

By a majority vote of the council, the city was declared bankrupt following the failure of the provincial government to take action. This move was opposed by a number of the ratepayers. Followed negotiations with the Quebec Municipal Commission and the decision to apply to the courts for a ruling to declare the municipality bankrupt.

Hamilton Bridge Volume 27% Above 1935 Level

Hamilton Bridge Co. officials are hopeful of a considerably better year in 1936 than in 1935.

For the first half of this year, the company's volume showed a gain of 27% over the first half of 1935, The Financial Post is informed.

The increase to date includes very little government or railway business. The company expects to get its share of steel orders resulting from government construction plans.

Business from Nickel

The recent order for 2,000 tons of steel from International Nickel Co. is a welcome addition to orders on hand. The material is to be supplied for an extension to International Nickel's "nickel unit" building at Port Colborne, Ont., where it carries on nickel refining operations.

The Nickel order involves some $220,000, and brings total volume on hand up to about $370,000.

The wholly-owned Hamilton Bridge subsidiary, Western Bridge Co., Vancouver, may benefit from contracts or sub-contracts on the new Lion's Gate Bridge across the First Narrows at Vancouver. However, this is an uncertainty until contracts are actually let later this year.

Shares Stronger

Improved volume and better prospects have combined to lift the Hamilton Bridge preferred shares close to $40 a share from a low point of $26 this year. Dividends have not been paid on the shares since 1932, due to operating losses suffered as a result of the disproportionate slump in the construction business.

In 1935, the company reduced its net loss to $91,207, compared with $174,252 in 1934. Continuation of improved business leads to a hope that profits will reappear in the annual statements.

Bond Tenders

5 p.m., July 23, Port Arthur—$34,000, 4½% sinking fund debentures, dated Dec. 1, 1935, due Dec. 31, 1955; coupon dated June 1, 1936 has been cancelled.

4 p.m., July 20, Sherbrooke — $875,000, 2½, 3 and 3½% bonds dated June 1, 1936, due 1937 to 1961. Art. Deslauriers, city clerk.

9 p.m., July 28, Sorel—$96,000, 4 or 4½% bonds, redeemable serially, Aug. 1, 1937 to 1961. A. O. Cartier, sec.-treas.

5 p.m., July 27, Pointe-Claire—$14,000, 4%, dated July 2, 1936, redeemable July 2, 1949. J. L. Vital Mallette, sec.-treas.

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H. C. GRIFFITH, M.A., LL.D. • • • • HEADMASTER

NOTICE TO DEBENTURE HOLDERS AND CREDITORS

Of the Former Municipalities of

EAST WINDSOR, WALKERVILLE, WINDSOR AND SANDWICH

And Debenture Holders of Walkerville — E. Windsor Water Commission

NOTICE OF APPLICATION TO THE ONTARIO MUNICIPAL BOARD

In the matter of "The Department of Municipal Affairs Act, 1935" and in the matter of "The City of Windsor (Amalgamation) Act, 1935" and in the matter of the application of the Windsor Finance Commission for an order for funding and refunding the debts of the amalgamated municipalities of East Windsor, Walkerville, Windsor and Sandwich.

TAKE NOTICE that the Windsor Finance Commission have this day filed a Plan for Funding and Refunding the debts of the Amalgamated Municipalities of East Windsor, Walkerville, Windsor and Sandwich and have applied to the Ontario Municipal Board for an Order of the Board approving, authorizing and confirming the said Plan and ordering the same to be binding upon all persons affected thereby;

AND FURTHER TAKE NOTICE that the Board intends to deal with this application at its Board Room in the Parliament Buildings, Toronto, on Tuesday, the twenty-second day of September, 1936, at the hour of eleven o'clock in the forenoon and that the Board, if the facts and conditions shown so warrant, intends to exercise any or all of the powers conferred upon the Board under Section 33 of "THE DEPARTMENT OF MUNICIPAL AFFAIRS ACT, 1935."

DATED at Toronto this seventeenth day of June, 1936.

(signed) Eric W. Cross,
Chairman

(signed) M. B. Sanderson,
Acting Secretary

Debenture Holders or Creditors desiring detailed information of the Plan should address their inquiries to the Fiscal Agent:—

C. W. McDIARMID,
Canada Building, Windsor, Ontario
Metropolitan Building, Toronto, Ontario

WINDSOR FINANCE COMMISSION

H. J. MERO, Chairman
J. CLARK KEITH, Comptroller
GEO. BENNETT, Mayor
RUSSELL A. FARROW, Commissioner
W. D. McGREGOR, Commissioner

WINDSOR, ONTARIO

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TORONTO, JULY 18, 1936

Propaganda Is Strong Against Imperial Preferences

PROPAGANDA against the Ottawa agreements, against the whole scheme of Imperial preference for that matter, is increasing in Great Britain. There is no evidence that this is inspired by the British government. British official policy on the extension of the Ottawa agreements has yet to be made clear. Public attention is focused on the problem of defense. This may prove to be a factor favoring larger Imperial preferences in 1937. At least one of the British delegates to Ottawa in 1932 expressed in private the opinion that he could not have brought himself to sign agreements so unfavorable to the British had there not been present in his mind a vivid recollection of the days of August, 1914, when the Dominions rallied to the defense of the Mother Country.

Among others, there are 2 very strong anti-Imperial preference groups in England. One comprises those political scientists of the Manchester Guardian—Economist tradition of free trade. They interpreted the Ottawa pacts as a net increase in the height of tariff walls rather than the opposite. In order to trade more with one another, the British countries cut themselves off from intercourse with the rest of the world, with evil results both for themselves and the world at large, this school contends.

* * *

"Planning," a broadsheet issued fortnightly by the Political and Economic Planning group, discusses the question of the Ottawa agreements in its current issue. The title for the article is "How The Empire Is Driving Europe Towards War."

The argument is the familiar one: The British nations, through the Ottawa agreements, have done very well by each other but they have done so by putting up barriers against the rest of the world. The result is that the poverty of European industrial nations has been further enhanced, for they have been denied access to markets in which they should be trading. Hunger and fear have spread and there have arisen despotic governments gambling with huge armaments supported by neurotic and desperate people. This survey concludes by expressing the hope that when the agreements come up for renewal there will not be the same exclusive Empire-only attitude in them, but a recognition that the industrial interests of Great Britain are wider than the markets provided by the overseas Empire, and that the agricultural interests of the overseas Empire will always be far wider than the British market.

This is an extreme view. The statistics cited to prove that the increases in trade between the countries of the Empire have been at the expense of trading with or between other countries outside of the Empire are anything but convincing. They can be interpreted just as easily to prove that the Ottawa agreements have prevented the total quantum of world trade from being much less than it would otherwise have been.

The negotiation of a trade agreement between Canada and the United States; the trade agreements between Britain and Argentina, Denmark and other countries indicate that, without violating the Ottawa agreements it is possible for the British countries to enter into reciprocal pacts with non-British countries. One of the Canadian ministers is at present in Europe negotiating similar pacts with Russia, Germany, France and Italy.

* * *

A second source of opposition to the Ottawa agreements is to be found among British manufacturers. Many of them, who have built up large businesses on trade with foreign countries, hold the view, similar to that of the theoretical economists just quoted, that British Empire preference can be successful only at the expense of trade with other countries. There is a strong body of industrial opinion in Britain that feels that that country should have nothing to do with Imperial preferences; that the Dominions and the colonies are not entitled to any advantages that would not be equally extended to other countries.

Every Imperial conference starts under a cloud of mutual misunderstandings and self-interested propaganda. Nothing could have been gloomier than the atmosphere in Ottawa in 1932, and yet Ottawa produced a major set of treaties that have been a remarkable success. There are grave difficulties ahead of the Empire statesmen who hope to continue the policy of Empire preference on an even broader scale in 1937. But the difficulties of achieving agreement between practical far-sighted men may not be as great as much of the current anti-Empire preference propaganda would seem to indicate.

Ontario's Debt Reduction

PREMIER M. F. HEPBURN of Ontario continues to point out that there will be a reduction in the gross debt of the province this year.

On the other hand, Mr. Hepburn has not been pointing out that there will be no reduction in the net debt, and that changes in the gross debt are due to a large extent to alteration of accounting methods.

The Hepburn government, of course, is in no way responsible for the seemingly haphazard methods by which almost all of Ontario's gross debt has been created; including, among other things, debts of the Ontario Hydro, the T.&N.O. Railway; the Agricultural Development Board, and so on.

The government is entitled to full credit for the efforts it has made toward balancing the budget and pegging the provincial debt. It should go further and explain more fully the steps it is taking to bring order into the government accounts. Otherwise, seasoned observers will be sceptical. For instance, when it is stated, without qualification, that the gross debt is being reduced, the student of public finance wants to know how much of the lightening of the burden is due to a shift of direct debt into the provincially-guaranteed debt of publicly-owned enterprises.

For More Stable Tariffs

A PLEA for some stability in tariff policies is made by William H. Moore, M.P., in his current little pamphlet on "Public Life." As a former chairman of the Tariff Advisory Board, as a member of parliament representing a combined rural and urban constituency, Mr. Moore's views on the tariff hold particular interest.

Mr. Moore is a believer in responsible government and economic liberalism. He wants democratic government but he does not want it destroyed by mismanagement. He is disturbed by the thought that our tariff is an unstable affair. He says:

> "Within the past 15 years the government of Canada has changed hands 5 times. After 1930 there was a drastic upward revision of the tariff; after 1935 there has been a fairly drastic downward revision of the tariff. Industrial life is of slow growth, it takes no special acumen to realize industry cannot be fitted into the 'ups' and 'downs' of the shuttling game of politics."

Mr. Moore does not share the current political illusion that the only producer worthy of recognition by the state is the "primary" producer. In fact, he feels we have over-played support for the primary producer with the result that we have too many farmers engaged in producing food for export, too few people making things that we need at home. He wants us to adjust our productive facilities to the altered demands of the market.

Mr. Moore's pamphlet, which is in his usual crisp but slightly enigmatic style, does not go so far as to detail a new fiscal policy for Canada. The obvious development of his argument would be to urge Canada to define its economic boundaries; to adjust its fiscal policy to those boundaries, to cut out the more expensive methods of spoon-feeding producers and, having arrived at a reasonably balanced economy, stop tinkering with the tariff.

Return from Conquest

EVERY once in a while this little tale bobs up in the joke columns. It has as great an appeal to us as it had in the days of our youth:

> Teacher was telling the class about the conquests of Alexander the Great.
>
> "When Alexander had conquered India," she said, "what do you think he did? Do you think he gave a great feast to celebrate his triumph? No, he sat down and wept."
>
> The pupils seemed disappointed at this childish display on the part of the hero, so she hastened to explain. "Now, why do you think Alexander wept?" she asked.
>
> Up shot a hand.
>
> "Please, miss," said Freddie, "perhaps he didn't know the way back."

The appeal of the story at the moment lies in its pertinency to some of our present problems.

One thinks of the splendid conquests of our government-owned railways in the regime of Sir Henry Thornton and of the difficulty the railways are having in finding their way back to economical and profitable operations.

One thinks of the splendid conquests of many of our provincial and municipal politicians in the fields of public spending and of their present difficulties in getting back to a haven of low taxes and sound credit.

Conquests in the field of military operations or political spending stir the blood and call for the biggest headlines while they are in process. Those who thrill at the higher pulse beat and are excited by the larger headlines are the same citizens who later on have cause to wonder why their taxes are so heavy, their debts so crushing and their political leaders so critical of the people whose money was used.

Losing Money by Millions

FURTHER details on the soldier settlement policy—vast sink hole for taxpayers' money—were given in a return tabled a few days before Parliament prorogued.

The return is of interest because it embraces not only the major policy of soldier settlement, launched in 1919-20, but the numerous minor policies in which the government became involved owing to the complete failure of the original plan. The minor policies—all ruinous so far as financial results are concerned — include the 3,000 family settlement scheme and various other land settlement ventures. The government became more deeply involved because of these lesser policies, but their purpose was to enable the treasury to escape the desperate losses on the original proposal.

The story is one of unrelieved disaster: of scores of millions of dollars thrown away recklessly, and, it would seem, uncaringly, in a hope that war veterans, en masse, could be made into successful farmers.

The government put $128.5 millions of public money into this venture.

All that has been repaid, principal and interest to date, is $56 millions.

Losses aggregate: $18 millions remission of interest;

$58 millions ascertained loss.

$26 millions administration cost.

$12.5 millions interest and principal now in arrears and

$8 millions in property on hand upon which a substantial loss is inevitable.

There is a clear loss to date of $102.5 millions with a further contingent loss of $20,000,000 to be faced. In addition, there is the interest charge on the original investment which will continue, no doubt, in perpetuity and the additional drag of administration.

This is the story of the 1919 soldier settlement adventure.

Editorials in Brief

The "legitimate" grain trade is distinguished by one Winnipegger as having been christened in the pit in contrast with that section of the trade baptized in the pool.

* * *

A year ago newspapers were filled with stories of people moving to Alberta to get Social Credit dividends. Now the trek is outwards; people are trying to get away from the almost confiscatory provincial and municipal taxation.

* * *

Conservation of the huge natural gas resources of Alberta's Turner Valley is one of the aims of Hon. C. C. Ross, Minister of Lands and Mines. Millions of cubic feet of gas that would serve posterity with fuel and power are burning every day and every night in the bright orange flares of the valley; all to produce a comparatively few barrels of gasoline. One famous western wit aptly describes Turner Valley as a "burning shame."

* * *

A large advertisement in the July 1 edition of London, England, papers called attention to Canada's birthday and urged Britons to buy Canadian farm products. The slogan of the advertisement was "Buy Canadian," and a number of leading Canadian food products were listed.

It was not a good advertisement because it did not give information that housewives would want. Canada's age, size, population, railway mileage and constitutional status have little to do with our maple sugar, our bacon, our canned salmon and lobster.

Outside of the statement that foodstuffs from Canada "are protected at every point in their production by the most stringent food laws" there was no real selling appeal in the display.

It may be that individual shippers will be able to bring out specific points of quality in their own advertising in Britain. But Canadian government advertising ought to tell the housewife WHY she should buy our cheese, our flour, our honey or our canned soups. The average Britisher will buy what he is convinced is the best; he is not influenced by a "Buy Canadian" appeal alone.

Sayings of the Week

"Politics itself is Public Enemy No. 1."—*J. Edgar Hoover.*

* * *

"I cannot open a new book of mine without pain."—*Booth Tarkington.*

* * *

"It is easy to mistake inherited prejudice for morality."—*Clarence Darrow.*

* * *

"Philosophers will always be the last to discover the truth."—*Will Durant.*

* * *

"The ultimate goal is the Kingdom of Heaven on earth."—*Rt. Hon. Stanley Baldwin.*

* * *

"Poets have begun to think they are no longer wanted by the world."—*John Masefield.*

* * *

"I like to think of religion as an attitude of thought and a way of living."—*Mary Pickford.*

* * *

"To keep the price level steady is as practical as to keep the level of the reservoir steady."—*Irving Fisher.*

* * *

"Idealism increases in direct proportion to one's distance from the problem." — *John Galsworthy.*

* * *

"We have, to an extent, grown work-wise. In the future, we shall grow leisure-wise."—*H. A. Overstreet.*

* * *

"The 'successful' man seldom has much imagination; it is one of the secrets of his success."—*Dean Inge.*

* * *

"Politicians have a much more difficult job than business men."—*J. M. Macdonnell, general manager, National Trust Co.*

* * *

"The whole secret of life is to be interested profoundly in one thing and in a thousand other things as well."—*Hugh Walpole.*

* * *

"It does not make much difference who is elected next president. The country is going ahead just the same."—*Henry Ford.*

* * *

"One of the falsest of false gods to which the modern world bows down is the so-called 'favorable balance of trade.'"—*Bruce Barton.*

* * *

"The real 'securities' are not banks, factories and railroads, but rather integrity, industry and a desire to be of service."—*Roger W. Babson.*

* * *

"It is futile to expect that we can sew the seeds of economic nationalism and reap a harvest of peace and prosperity."—*Premier W. L. M. King.*

* * *

"Our language does not provide a vocabulary of condemnation adequate to express our feeling toward the Nineteen Twenties."—*Owen D. Young.*

* * *

"Canada, as a self-respecting nation, should declare to Great Britain that we shall reserve to ourselves the right to declare war or make peace."—*J. S. Woodsworth, M.P.*

* * *

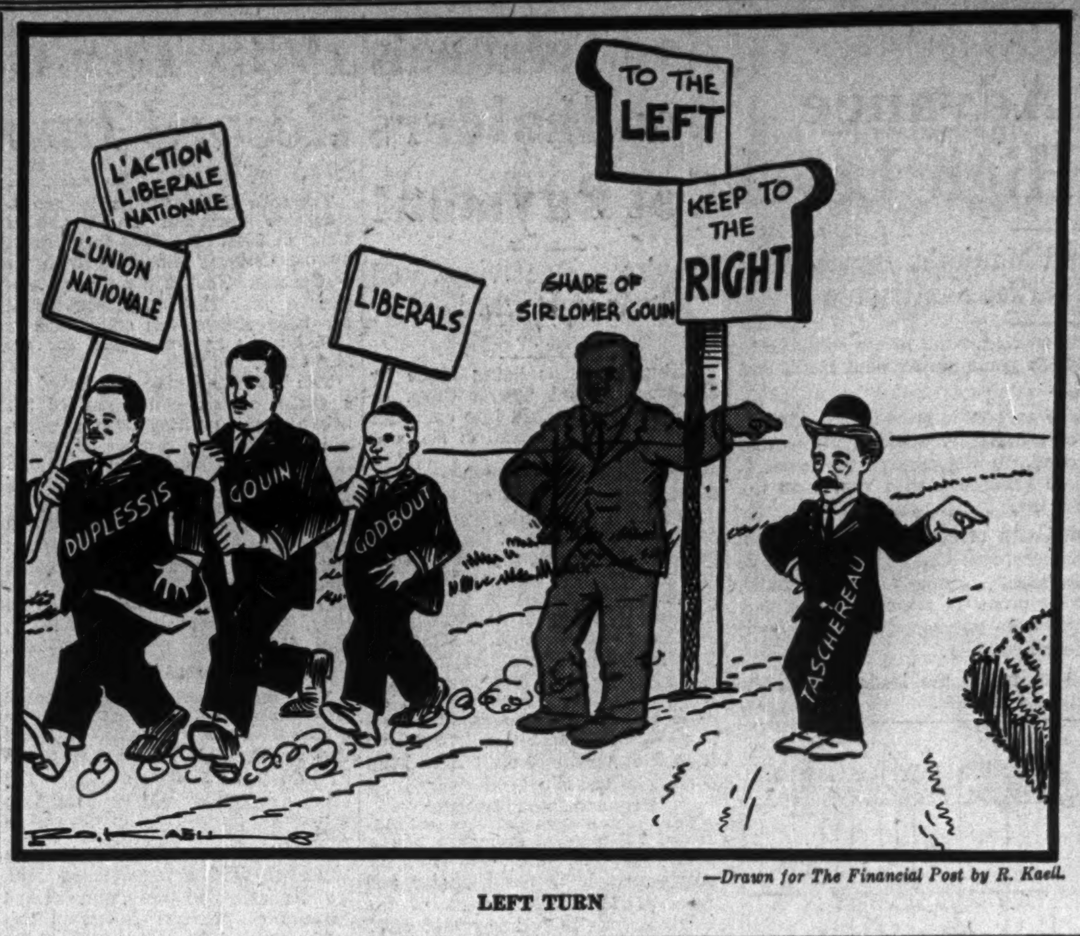
"Every individual fortunate enough to possess great wealth should devote some of it to public service or to some cause which will bring definite benefits to mankind." — *Samuel Untermeyer.*

* * *

"Experience teaches that over-legislation is an evil, that vast government expenditures to promote prosperity always produce meagre results, that quick remedies are quack remedies."—*Judge George W. Maxey, of Pennsylvania.*

* * *

"During the five years from 1930 to 1935 nearly 12,000 civil servants were released from their positions in this country. That is a terrible thing to say, and yet the service was more efficient by reason of it."—*Rt. Hon. R. B. Bennett.*



—*Drawn for The Financial Post by R. Kaell.*

LEFT TURN

Tomorrow's Railroads

New York Herald-Tribune

The two greatest mileage hauls on any North American railroads today are those of the Canadian Pacific's "Dominion" and the Canadian National's "Centennial Limited" on their Montreal-Vancouver runs, which total 2,886 and 2,929 miles, respectively, and it is safe to say that no premonition of so vast a railway empire occurred to the group of Canadians which journeyed to Laprairie, Quebec, a hundred years ago this month.

The occasion was the inaugural of the first Canadian railroad, the Champlain & St. Lawrence, which ran 14 miles, from Laprairie to St. John, and a gala excursion it was.

The locomotive "Dorchester" made the run over the strap-iron rails and returned in the positively scandalous time of two hours flat, and the passengers, somewhat wind-blown, arrived "in excellent mood for the cold collation at the Railway Station House." According to "Railroad Stories" the buffet included champagne and Madeira and a wealth of other luxury fare not common to station restaurants today, even on the Canadian Pacific.

This and other American railway centennials, such as the Baltimore & Ohio's "Iron Horse" celebration, which have been observed in the last few years, serve to emphasize how clearly defined has been the full cycle of steam locomotion, for its 100th birthday finds railway transportation at once enjoying a real revival and considering radical departures from the technique of the last 10 decades. Optimism and experimentation are the watchwords of the day among railroad men everywhere, and even the familiar aspect of cars and locomotives, which has remained nearly static since the 1830s, is undergoing dramatic mutations.

Streamlining in some modified form seems assured; so far as it is possible to predict, it is unlikely that heavy equipment will soon be superseded by lighter coaches and engines; steam still has ahead of it a lengthy future, especially on long-haul roads, where passenger service is secondary to freight in importance.

Probably the trains of a hundred years hence would be as wonderful to observers of 1936 as today's "Dominion" would be to the men who travelled on the coaches drawn by the "Dorchester" on July 21, 1836.

Industrial Wealth

St. Catharines Standard

The evidence of Sir Herbert Holt before the commission enquiring into the textile industry was quoted the other day as a horrible example of protection, in that while Dominion Textiles was launched 31 years ago on a capital of $500,000, it had paid all during the years a total of $14,985,000 in dividends and presented a balance sheet value now of $10,210,000. There is no doubt that the record can be duplicated by many other efficiently conducted industries producing a commodity for which there is public demand.

A review of the progress of the Ford Motor Company of Detroit, however, puts the textile industry in the piker class as far as wealth accretion goes. The Ford Motor Company, as nearly every school boy knows, was started on a shoestring, a matter of hundreds instead of thousands of dollars. In a third of a century the company has sold 24½ million cars, has received $12,951,338,028, has paid out $12,109,321,884, and taking into the reckoning accounts due, has made a net profit of $782,016,114, most of which has gone back into plant development.

The Ford Company is regarded by such a newspaper as The Detroit Free Press, as "a working symbol of American achievement and progress." The labor it has provided, under fairly good conditions, in its own and allied plants, has been gigantic in terms of spending power.

The story of the textiles in the skeleton form of a few figures, as admitted on the witness stand by Sir Herbert Holt, should have been supplemented and elaborated. The history of the enterprise would be well worth reading, as is that of any successful corporation. We have in Canada, International Nickel, Bell Telephone, Canadian Pacific, and a score of outstanding great companies. To reveal their dividends, their original capital stock, with the present day, their balance sheet value only obscures what such institutions have meant to the country. It is a one-sided picture which proves nothing, and we are forced to admit that while the devil can quote Scripture for his purpose, he is also adept at quoting figures relating to successful business and industrial enterprise.

The Financial Post declares rightly that the important point about any company is how it achieved success, if it did, and there are a great many which never do, and what return it gave the community or the country as a whole.

As Others See Us

Angell on Social Credit

Ottawa Citizen

Sir Norman Angell's long anticipated examination of Social Credit in his series of articles on money in the Toronto Financial Post has at last been published. It is a very charming piece—but it will not turn many Douglas monetary reformers from the path they have chosen to tread.

It is doubtful if Sir Norman is as familiar with the analysis and proposals of Major Douglas as he should be in order to set up as a critic of them. He skims politely and urbanely over the whole question and never attempts a detailed examination of Social Credit, which now has a literature larger than that dealing with any other economic school of thought except Socialism.

Sir Norman concludes his article by suggesting that monetary reformers are merely confused, and attributes the present crisis to "economic" rather than "monetary" causes—as if the two were separable. He quotes a "noted philosopher" to the effect that, "There are two things which seem completely to addle the human brain; love and currency." Might not a third thing be added—the gold mentality?

Give It a Chance

Brantford Expositor

After two reductions in the Canadian tariff affecting its product, made within a very few months, the agricultural implement industry is being subjected to a persecuting sort of enquiry that is most unfair and altogether unjustified by the circumstances in the case. The Expositor has pointed out on many occasions the inequity of singling out the manufacturers of farm implements for tariff reduction below the average, just to curry political favor with the western farmer, yet that is exactly what has been done for years back by various governments of this country. Stability in the business is almost impossible because of the constant fluctuations in the tariff, and it is high time the industry was given fairer treatment.

In this connection, The Financial Post published an editorial article in its last issue commending Right Hon. R. B. Bennett for his defense of the farm implement industry and his appeal that it be given a chance to concentrate its energies on developing markets and providing employment, rather than on searching out oceans of material to satisfy an investigating committee, the personnel of which is probably not competent to interpret it. This article is reproduced in another column on this page, and it is to be hoped it will be widely read.

The agricultural implement industry in Canada has suffered enormously by the loss of so much of its foreign markets because of adverse tariff and currency conditions, but if it is given the opportunity it will speedily revive itself and once again provide employment on just as large, if not even a larger scale than ever before.

Unbalanced Economy

St. John's, Nfld., News

An advertisement of the International Power and Paper Company of Newfoundland in a recent issue of the Toronto Financial Post presents interesting information with respect to the importance of the company's operations to the national economy. The annual wage and salary distribution in Newfoundland is set at $3,500,000 and the average number of employees in the mill area is 1,050 and, in the forests in the logging season, 3,000. To estimate the value of the newsprint industry to the country these figures must be doubled since the annual production of the A. N. D. Company falls little short of International's and the Grand Falls organization may therefore be expected to give equivalent employment and distribute an equivalent amount in wages and salaries.

The really important conclusion to be drawn from these wage and employment statistics of the newsprint companies is that Newfoundland's economy is completely out of balance. Here we have on the one side a single industry employing directly only 8,000 men and representing a wage distribution of more than $7,000,000, and on the other side there is an industry giving direct employment to about 30,000 men and producing only about $4,500,000. The per capita wage distribution of the paper industry among its direct employees is $900; the per capita earnings of the fishery are only $150 per annum.

Obviously conditions will never be normal while the national economy is so sadly unbalanced and consideration of the facts reveals immediately the theoretical solutions. These are first to formulate an aggressive policy for the development of every resource we possess that can produce commodities to compete in world markets and give the producers a wage comparable to that paid by the paper companies and similar industries; and secondly, to study the reorganization of the fishery on a basis that will greatly increase the per capita wage.

Other People's Views . . . . .

Mr. Bruce

Vancouver Sun

It is difficult for Canadians to understand the appointment of aged Hon. Randolph Bruce as Canada's minister to Japan.

This is said, not in disparagement of the 73-year-old Mr. Bruce, but of the government which is sending him to a post which should be entrusted to a younger man in the full vigor of life.

A kindly old man, who has a fine record of citizenship and service behind him, Mr. Bruce is still far from the type of man who should represent this young country in one of the most difficult diplomatic and business posts that public life has to offer.

To send a man of Mr. Bruce's age to a different climate and to different food and surroundings, plus the strenuous work that the Japan office entails, is not merely an unkindness to Canada, it is an unkindness to Mr. Bruce himself.

Worse and Worse

Saint John Telegraph-Journal

The Alberta government not only reduces the interest on its bonds, whether the holders agree or not, but has a device to put the screws on those who stand out for payment as agreed upon. Cheques for the low interest mailed are accompanied by a notice reading as follows: "You are hereby offered this amount in accordance with the terms of Order-in-Council, No. 734-36, and your negotiation of the said cheque will constitute acceptance in full satisfaction for and discharge of the interest due."

The bondholders are informed through their protective association that by cashing these cheques they are thereby giving their written consent to the waiving of contracts. Nevertheless if they decline to accept the part payment while they are fighting for full payment, they may well wonder when, if ever, they will see any of their money.

Form Filling

Maclean's Magazine

In two months of this year, a large Canadian manufacturing company made forty-eight reports to various government departments.

That is an average of 2 a day.

The company was not being investigated or anything like that. It was just obeying regulations which affect all business.

The MacLean Publishing Company, for instance, during the past twelve months has had to make 71 returns of one kind or another. Forty-one were required by Dominion departments; 17 by provincial departments; 13 by municipal departments.

Some of the reports required are necessary. But there is far too much overlapping.

Canadian business is taxed heavily enough without being put to the additional expense of maintaining what, unless bureaucratic tendencies are checked, may develop into an hourly bulletin service to departmental officials.

Already many industries have had to establish special departments, headed by experts, to handle the flood of government questionnaires. Several firms have been compelled to engage full-time legal representatives, so complex have taxation problems become.

The extra cost of all this has to be met somehow. In many cases it is added to the selling price of the goods. Hence it comes out of the pockets of the workman, farmer, professional man and housewife.

No person escapes the burden of overgovernment.

In the Mail

(Not over 200 words, please)

Articles of Value

Editor, The Financial Post,—

You have done a fine piece of work in "Canada—and the Next Five Years,"* and have brought our problems to the fore.

Many of the men who gave their personal views were successful businessmen. Surely if we had men like these in our governments, they would get down to brass tacks, reduce the government services, balance the budget and reduce taxes. And by balancing the budget I mean set aside a sinking fund to pay back the money we have borrowed in the past.

A great many of our political leaders have been lawyers or financially well-off men, who don't appreciate the difficulties of making a business pay.

It used to be thought that we elected men to make our laws. Now we elect them to raise the taxes.

An article analyzing the cost of government and how our taxes are spent would be of particular interest.

Your mining section I follow very closely. Often you are ultra conservative in your statements about mines!

I look forward to the "Post" every week.

READER.

Noranda, P.Q.

*This series is now available in pamphlet form at 50 cents.

And Did No One Howl?

Editor, The Financial Post:

In all parts of Canada today ruling bodies are being rebuked for not making a real effort to reduce governmental spendings so as to remove the lack of balance between outgo and intake. But while many professors and experts, and even financiers of great repute, are predicting national ruin if the danger signal is unheeded, nobody laughs or howls over the numerous calamities attributed to the mystic capers of the money exchange market in recent years. It puzzles me greatly. In 20 years the monetary systems of many countries have collapsed under the strain imposed by changed money rates due to currency inflation and contraction. In the aggregate many scores of billions of dollars, perhaps hundreds of billions, have disappeared from the debt accounts of some countries, although neither paid nor voluntarily cancelled.

A shrinkage of nearly $4 billions of marks in Germany's debt to Britain and the United States was caused when the latter countries broke away from gold. The European war debt to America shrank by $4.5 billions. All foreign debtors to the United States were likewise relieved of 40% of such indebtedness if payable in New York funds. The crash in 1929 resulted in an estimated loss of $40 billions in the selling price of issued stock. The list of these curious "accidents" is a mile long. Similar magic tricks with money are being performed daily and no uproar is made about it. Yet the alarm is sounded when industries need assistance and budgets are unbalanced. Economists are reluctant to discuss this subject. It also seems to be the attitude of The Financial Post. Am I right?

J. BEAMAN.

Saskatoon, Sask.

Editor's Note: That economists are reluctant to discuss the subject of the monetary policies of nations, that no uproar has been made about devaluations of the dollar, that no one has howled or laughed about the destruction of the world's international monetary system: — all these things are news to The Financial Post.

There are probably a million printed words to testify that The Financial Post is not reluctant to discuss the subject of money.

Making Taxes Visible . . . .

Executives of 300 wholesale bakeries in the United States recently adopted a proposal for printing on the wrapper of each loaf of bread the amount of federal taxation represented in the selling price.

The bakers decided on the move as a means of making the public conscious of the large amount of indirect federal taxes the consumer is forced to bear, according to W. E. Long, president of the Long foundation of food research, which sponsored the conference.

Mr. Long declared that 1¾ cents of the selling price of a 10 cent loaf of bread goes for federal taxes alone and predicted that new levies to be added soon would double existing taxes on bread.

Commenting on the proposal the Chicago Herald-Examiner says:

"It is as important to the taxpayer that he know the ingredients of the price he pays as it is to know the ingredients of the commodity he buys.

"Pure food laws compel the printing on labels of what goes into certain food products. A similar pure tax facts law would reveal what goes into the price of the product.

"People who buy bread, no matter how poor they are pay taxes. They are entitled to know how much they pay.

"When bread is taxed, the long arm of the tax collector is reaching all the way down through the social and economic structure of the nation. When bread is exorbitantly taxed, the spenders and wastrels at the helm of government are taxing the very food out of the mouths of the poor.

"It is proper that the portion of the price of a loaf of bread absorbed by taxes should be printed on the wrapper. It will cause millions of average Americans to realize for the first time that tax burdens do not rest alone upon the rich."

Stop Me If You've Heard This One . .

"Well, dear," said Mr. Blair, after tea had been cleared away, "what are you planning to do tonight?"

Mrs. Blair shrugged her shoulders. "Nothing special," she replied. "I'll probably write a letter or two, read, listen to the radio, and so on."

"I see," he replied. "When you come to the so on, don't forget my shirt buttons."

Heat Slows Business, Booms Special Lines

Air-conditioning Is Major Industry to Benefit — June Car Sales Rise in Ontario and Quebec But Slump in Nova Scotia

Whether you subscribe to the "sunspot" theory or not there is no argument that heat became the most important news story in Canada last week. Drought and scorching suns have long become all too familiar to prairie citizens, but the great heat wave of 1936 promises to be one long to be remembered by citizens of central Canada—especially those in the central Ontario area.

Obviously makers of cooling drinks, ice cream and similar foodstuffs have reaped a rich harvest with demand far ahead of supply. Certain clothing lines have also seen a boom demand. By and large, however, the weather has been too hot for most merchandisers, and business firms and business tempo have slackened very materially except where forced to a rapid pace by special demand.

* * * *

Airconditioning Boom

One major lesson of the heat wave is to create something of a boom for makers of air-conditioning equipment. On a small scale the fact that there is an actual famine of electric fans in cities such as Toronto indicates the way hot weather has created a demand for air-cooling equipment.

Similarly air-conditioning firms report an avalanche of orders for small circulating units which can be installed quickly. They feel too that scores of bigger and costlier installations will follow logically from the experiences of the past week. Big department stores, for example, are noticing amazing results in sales figures of departments located in sections where air is "conditioned."

* * * *

Motoring Still Popular

One business which is forging into new high ground despite the heat is motoring. Though hot weather has doubtless deterred some people from driving their cars, others have flocked the roads hoping for a breath of air with a consequent good effect on gasoline sales.

New car sales continue to show exceptional vitality for most manufacturers with early returns of June registrations in Ontario and Quebec showing a gain of 11.8% over corresponding figures for last year. The weak spot in the motor picture was Nova Scotia where new car registrations in June slumped from 935 in 1935 to 338 this year. This cut the gain in new car sales for Eastern Canada to but 3% for the month. Total registrations for this area in the first 6 months are higher by 10.5% than in 1935, giving assurance that the sales figure of $60 millions estimated in this column a few weeks ago will be amply reached.

* * * *

Second Half Prospects

Looking back on the first half of 1936 it is obvious that substantial gains in foreign trade and a revival in automobile sales have been the highlights of the period. Continued slackness in construction has been disappointing, but on the other hand a general upswing in the demand for most lines of "producer" goods has been important.

Looking to the remainder of the year, the current comment of Col. Ayres of Cleveland Trust regarding the U. S. prospect has much in common with the outlook in Canada, even though this country has fortunately not to face the disturbance of a general election. In his July bulletin, Col. Ayres says;

"Business has clearly given an exceptionally good account of its activities in the first half of 1936. It seems probable that it will continue to do well in the second half of the year despite the prospective disputes of the political campaign, the looming possibilities of labor difficulties, and the threats of droughts which are widespread and becoming serious. This promises to be the best business year since 1930, and possibly since 1929."

Changes of the Week

Favorable

Carloadings moved into new high ground after adjustment for seasonal fluctuations and holidays during the week ending July 4. Largest gain from a year ago was in the movement of miscellaneous freight although every major group except coal showed gains.

Wheat exports in June made a startling gain to 25.7 million bushels compared with less than 6.5 million bushels in the same month last year. Total value of these exports was almost $19.7 millions compared with $5.1. Exports of wheat flour in June were fractionally higher than in the same month last year.

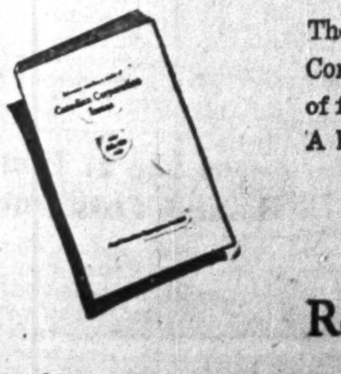
Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (July 4)	▲43,172	39,835	1,168,996	1,153,820
C.N.R. gross earn. (July 7)	$ ▲3,212,113	$ 3,071,550	$ 88,873,541	$ 83,214,866
C.P.R. gross earn. (July 7)	$ ▲2,731,000	$ 2,439,000	$ 64,773,000	$ 56,964,000
Business Conditions—				
Weekly index D.B.S. (July 4)	▲107.7	99.3	....	....
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (May)	‡107.9	99.8	......	......
Transportation—				
C.P.R. net revenue (May)	$ ▲1,450,289	$ 1,143,914	$ 5,615,450	$ 4,656,206
C.N.R. net revenue (May)	$ 933,551	$ 654,527	$ 2,465,596	$ 2,663,221
Iron and Steel (May)—				
Pig iron production (tons)	58,832	45,432	283,973	215,222
Steel ingots and castings prod. (tons)	94,602	72,811	496,504	314,713
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (May)	15,854	13,858	51,598	47,338
Factory output (May)	16,389	17,093	73,238	78,114
Trucks and Buses:				
Domestic sales* (May)	3,239	2,717	10,709	9,068
Factory output (May)	3,617	3,672	16,310	17,470
Exports (May)	4,214	4,684	24,337	31,380
Construction—				
Building permits (May)	$ 4,160,988	$ 4,728,340	$ 12,914,830	$ 19,535,656
Contracts awarded (June)	$ ▲20,803,400	$ 18,521,400	$ 77,708,500	$ 75,594,500
Newsprint (tons)—				
Production (May)	267,067	242,693	1,219,212	1,054,253
Exports, tons (May)	▲258,288	239,880	1,076,705	936,333
Sugar (lb.)				
Melting & sales§ (raw)	▲96,053,265	93,608,459	303,134,553	291,101,960
Manufactured§	▲92,455,481	87,364,302	292,386,286	294,392,109
Flour (bbls.)—				
Production (May)	▲1,196,339	1,164,322	5,378,549	5,142,549
Wheat flour exports (June)	▲430,171	429,561	2,291,172	2,342,945
Trade—				
Retail trade (index no. of sales) (May)	▲72.9	68.3	......	......
Imports (May)	$ 59,012,669	$ 54,539,747	$ 236,285,406	$ 213,640,704
Exports (May)	$ 83,819,751	$ 65,498,251	$ 343,966,944	$ 291,528,044
Wheat exports (bush.) (June)	▲25,763,565	6,494,622	94,587,586	45,005,121
Employment, D.B.S. Index (June 1)—				
All industries	102.0	97.6	......	......
Manufacturing	103.4	98.4	......	......
Electric Power Output (May)—				
Total monthly (000's omitted)	2,063,045	1,923,071	10,411,384	9,563,844
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (May)	136,894	129,517	485,035	457,365
Boot & shoe prod., pr. (May)	▲1,795,518	2,032,751	9,320,902	8,907,936
Crude petrol. imp. gal. (May)	103,517,363	131,131,917	323,829,524	328,749,587
Cotton imports, lb. (May)	9,858,993	6,316,015	62,202,905	43,654,569
Raw rubber imp., lb. (May)	4,974,572	8,800,907	19,636,856	26,724,581
Coal imports, tons (May)	▲1,360,026	1,465,060	3,342,676	3,637,479
Finance—				
Bank debits (May)†	$ 2,979,199	$ 3,132,209	$ 14,111,283	$ 12,506,825
Bond sales (May)	$ 45,531,750	$ 70,542,182	$ 544,578,864	$ 208,452,156
Life insurance sales (May)	$ 28,977,000	$ 27,422,000	$ 155,483,000	$ 149,443,000
Automobile Financing—				
Used cars (May)	$ 3,634,272	$ 2,478,268	$ 10,159,868	$ 7,186,121
New cars (May)	$ 4,932,173	$ 3,668,725	$ 13,402,925	$ 10,463,413

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to June 13. ‡Final.

A Booklet About Bonds



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IT'S GAS THEY'RE DISCUSSING

Competition of oil, sawdust and electricity has become a serious challenge to the gas industry that will have to be met by enterprising methods in production, salesmanship and development of efficient appliances, John Keillor, Vancouver, left, president of the Canadian Gas Association, told delegates to the annual convention of the association in Vancouver. Mr. Keillor criticized the standards of the Dominion Gas Act, which he said had not been changed in 17 years and were now obsolete. Mr. Crawford, of San Francisco, right, president of Pacific Coast Gas Association, addressed the convention on "Where Will Future Gas Business Come From?"

Background of Business

Many Key Cities Show Higher Rentals

Led by a gain of 5.4% in Sarnia, residential rentals in 28 leading Canadian cities are higher this year than they were last autumn, according to a special study of the Dominion Bureau of Statistics made available to The Financial Post. Although the 1936 advance was about the same magnitude as similar increases in both the fall and spring of 1935, rents are still 16.2% below the 1926 average.

According to this survey rents for middle grade houses rose by 1.1% in the 6 months following October, 1935, duplexes by .6%, flats by 1.5% and apartments by .5%. Rentals for all middle grade dwellings averaged 1% higher while those for workingmen showed a 1.7% advance. Realtors in Ontario and certain cities of middle western Canada reported a shortage of smaller houses.

Cities where gains were particularly noticeable included (in addition to Sarnia) Chatham, Hamilton, London, Oshawa, Windsor and Woodstock in Ontario; Moose Jaw, Saskatoon, Lethbridge and Vancouver in the West.

Cities reporting lower residential rentals include: Halifax, Montreal, Brandon, Edmonton, Medicine Hat and Prince Rupert.

Comparative index numbers of rentals in cities to show largest increases in 1936 compared with October, 1935, and May, 1935, follow:

Rentals in Certain Canadian Cities
(Index Numbers on Basis 1926 = 100)

	May 1936	Oct. 1935	May 1935
Chatham	96.8	93.8	92.4
Hamilton	89.1	86.4	82.7
London	97.4	94.4	93.2
Oshawa	91.4	87.5	81.0
Sarnia	86.5	82.1	84.0
Windsor	88.0	84.3	80.2
Woodstock	83.6	80.3	80.0
Moose Jaw	84.0	80.7	78.5
Saskatoon	71.8	68.9	68.9
Lethbridge	79.4	76.3	73.8
Vancouver	84.8	80.8	77.8

* * *

Smaller Wool Supplies

Prospective world supplies of wool in 1936-37, including production and stocks, probably will be smaller than for several years, it is reported by the Bureau of Agricultural Economics, Washington.

World production outside of Russia and China is expected to be about the same as in 1935 when 3.2 billion pounds—the smallest clip since 1929—was produced. The biggest clip on record was 3.4 billion pounds in 1932.

The bureau says there will be a slight decrease in wool production in Australia this year, not much change in the United States and Canada, and small increases in the Union of South Africa, Argentina, New Zealand, Europe, and countries of the near East.

A gradual slowing down was reported in the wool industry of the United Kingdom in May and early June, and "a rather general lull" recently has occurred in continental European wool textile mill activity. In Germany, Italy, France and Belgium, four important wool consuming countries, there has been some reduction in manufacturing activity. The bureau says that the carry-over of wool into the new season in Southern Hemisphere countries will show a material reduction as compared with a year ago.

* * *

Saskatchewan Sales Plan

Proposal of the Saskatchewan Electric Power Commission to promote sales of electric appliances as authorized at the last session of Parliament will not involve the province going into retail business itself, says Hardware and Metal, Toronto.

This paper quotes Hon. George Spence, saying the new legislation will enable employees of the commission to foster and promote sales among power users, such prospective sales to be reported to regular dealers in the district who would provide the equipment. The commission, however, will receive payment from the purchaser in monthly installments billed with the regular electric charge bill.

* * *

Radio Sales Gain

Construction of radio receiving sets in Canada in the first quarter of 1936 numbered 28,717 valued at $1.3 million at factory selling prices—an increase of 22% in number and 27% in value over the same period last year. Actual sales by producers totalled 31,814 sets valued at $2.9 millions at list prices, these figures being the best for any first quarter since 1932. Of total sales, 50% were in Ontario, 20% in Quebec, 23.3% in the western provinces, 6.3% in the Maritimes.

* * *

Hot Rolled

Factory sales of rot-rolled iron and steel products by Canadian producers were valued at $27.8 millions in 1935—a gain of 42% over the corresponding figure of 1934.

Major item of production was merchant bars with a selling value at works of $6.2 millions. Production included 118,611 tons of rails valued at slightly less than $5 millions. Corresponding figures for rail production in 1934 were 88,000 tons valued at $3.7 millions.

* * *

Technocracy

A survey of the relationship between machines and unemployment has recently been concluded in the U. S. by the Machinery and Allied Products Institute, and its findings summarized by Canadian Machinery are as follows:

"Between 1870 and 1930, the population of the United States increased 218 per cent while the gainfully employed increased 291 per cent. Shortly after the civil war, before the great stride in technological advancement had been made, 324 persons were employed in producing the goods and services for each 1,000 inhabitants. By 1930 a higher standard of living, resulting largely from the development of machinery, had created so many new desires that 400 persons were at work filling the demands of each 1,000.

"There was a gain of 20,000,000 new jobs during the period of most intensive technological advancement, 1900 to 1930. For each 1,000 of the 47,000,000 added population, 422 new jobs were created in this period of twentieth century development.

* * *

Vancouver's Port

Annual report of Vancouver Harbor Commission issued recently showed larger number of vessels of all classes entering and clearing the port during 1935 than in any year since 1930. A total of 18,288 vessels of all classes entered, compared with 16,970 in the previous year. Total tonnage, however, was slightly lower at 11.2 millions, compared with almost 11.5 millions in 1934. This reduction is due in part to the strike which prevented operations of 6 different U. S. steamship lines for almost half the year.

Over 10,000 passengers disembarked from B. C. ships compared with 8,951 the previous year. Coastwise passenger traffic was slightly lower at 383,000 persons, compared with 388,000 in 1934. Major items of exports, most of which showed an increase, are as follows:

	1934	1935
Lumber (feet)	405,480,184	434,207,514
Shingles (bundles)	913,490	1,183,711
Doors	176,657	338,454
Scrap metal (tons)	20,984	22,883
Canned fish (cases)	1,038,173	1,209,093
Other fish (tons)	24,814	25,670
Apples (boxes)	171,033	227,839
Grain (bush.)	51,757,614	46,265,612
Flour (bbls.)	973,605	918,004

* * *

Water Riddle Solved

A major problem for many manufacturers when locating a new plant is "What is the quality of the local water supply?"

For nearly 2 years, experts of the mines branch at Ottawa have been delving into this problem and have presented an interim report which aims to furnish manufacturers with this information. Territory covered so far by the investigation embraces Ontario south of the Ottawa River and Georgian Bay and the whole of Quebec Province as far east as Rivière du Loup. Samples of civic water within this territory have been collected from all cities and towns of 3,000 inhabitants and more, and analyzed for their total hardness, calcium, magnesium and alkalinity, thus giving a fair estimation of their industrial value. Complete analyses have also been made of surface water, lakes and rivers of industrial importance in this area.

The report contains a tabulation of relative hardness of waters in various communities of Quebec and Ontario ranging all the way from but 13.1 parts per million at St. Joseph d'Alma on the Saguenay River to a high point of 834.2 parts at the wells at Preston.

Ads Must Substantiate Claims of Performance

From Our Own Correspondent

OTTAWA.—Unknown to the business community the 1935 "New Deal" amendment to the Criminal Code, controlling advertising, came into effect Jan. 1, last. The amendment was not referred to the Supreme Court and has drawn no public attention since it became law at the beginning of the year.

As a part of the Criminal Code, enforcement rests with the provincial attorneys-general, not with Ottawa, although it is open to any citizen to lay any information alleging violation of the Code. So far no prosecutions have been instituted and it is doubted at Ottawa if provincial officials have paid any attention to the change. Indeed, it was difficult to discover, at Ottawa, if the section was or was not in effect.

Text of Clause

This amendment deals with advertising and reads:

"Every person who publishes, or causes to be published, any advertisement containing any statement or guarantee of the performance, efficacy or length of life of any product for the purpose of either directly or indirectly promoting the sale or disposal of such product and which statement or guarantee is not based upon an adequate and proper test, shall be guilty of an offense and liable upon summary conviction to a fine not exceeding $200 or to 6 months imprisonment, or to both fine and imprisonment: Provided that any person publishing any such advertisement accepted in good faith in the ordinary course of his business shall not be subject to the provisions of this subsection:

"Without excluding any other adequate and proper test, a test by the Honorary Advisory Council for Scientific and Industrial Research or any other public department shall be considered an adequate and proper test for the purposes of this subsection, but no reference shall be made in any such advertisement to the fact that a test has been made by such Council or other public department:

"On any prosecution under this subsection, the burden of proof that an adequate and proper test has been made shall lie on the defendant."

Newspapers Exempt

Another change in the Code brought about by the 1935 amendment substituted the word "person" for the word "newspaper" in the proviso dealing with newspaper advertising. The proviso reads: "Provided that any person publishing any such advertisement accepted in good faith in the ordinary course of his business shall not be subject to the provisions of this subsection."

The first amendment dealt with false claims to performance, efficacy, etc. The second deals with false advertising of a general character.

After 30 Years Fish Pact May Come—in a Few Years

From Our Own Correspondent

VANCOUVER. — Ratification by the United States Senate of the Fraser River sockeye salmon treaty, which has been under negotiations for 30 years, was hailed in British Columbia as the most cheerful and important commercial news in a generation, but the promised recovery of the Fraser packing industry may not materialize as quickly as had at first been hoped.

There are a number of complications still to be cleared up. The treaty as ratified at Washington is not the identical one approved by the Canadian authorities in 1930. It contains certain reservations, and while these are not expected to be seriously in conflict with the attitude of the Canadian government, they may result in a few years delay in the fulfillment of the treaty's ideals.

Once Worth $30 Millions

But regardless of technicalities there is no doubt but that a very long stride has been taken toward rehabilitation of the Fraser River's fisheries, once regarded as the most important of their kind in the world, yielding an annual pack valued at close to $20,000,000. It is now about $3 million.

The general effect of the treaty will be to place all waters tributary to the Fraser under the control of a joint international commission, so far as sockeye salmon fishing is concerned. Three Canadians and 3 Americans will serve and it will operate in a good deal the same way as the international joint commission on halibut.

Lack of international control, coupled with disastrous rock slides on the lower Fraser in 1913, resulted in ruthless over-fishing, especially in American waters, where practically no regulation was applied. The catch gradually declined year after year until the point was reached where fisheries experts seriously forecast total extinction of the once great source of wealth.

To Share Equally

Under the new treaty the catch of salmon will be equally divided between the two countries.

Middlemen Enjoy Greater Business

Wholesalers Report Upturn in 1935 Sales Volume

Gains in volume of wholesale trade ranging from 2.7% for coal and coke to 20.9% for machinery, equipment and supplies are reported by the Dominion Bureau of Statistics in its preliminary tabulation of wholesale sales in Canada in 1935.

Since wholesale price levels in Canada remained relatively constant during the 2-year period, most of the increases are due to increased trade volume rather than to an increase in volume of goods sold.

Lines of trade reporting gains of 10% or more were metals and metal work, 14.9%; electrical goods, 14.3%; jewellery and optical goods, 12.9%; plumbing and heating equipment, 12%; lumber and building materials, 10.6%.

Firms reporting in the food group show an increase of 5.1% in value of sales for the group as a whole. The increase for the sub-group "Dairy and poultry products" was much greater, being 18.8%. Other increases in the food group are 2.1% for fruits and vegetables; 3.5% for groceries, and 6.9% for meats and fish. In comparison with the average food group increase of 5.1% for the Dominion as a whole, increases in this group for the several economic divisions are 3.1% in Ontario; 3.6% in the Maritime provinces; 5.2% in Quebec and in British Columbia, and 8.9% in the Prairie provinces.

Other important groups and the extent of their gains are drugs and drug sundries, 6.3%; dry goods and apparel, 3.2%; hardware, 6.9%, and tobacco and confectionery, 7.9%.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.15	$6.00	$7.25
Hogs	9.60	9.75	10.00
Copper, lb.	.09¼	.09¼	.08
Cotton, lb.	.1360	.1249	.1235
Rubber, lb.	.1670	.1637	.1216
Sugar, raw, lb.	.0370	.0370	.0329
Silk, lb.	1.63	1.60	1.45
Wheat (Man.) bus.	.91⅞	.92⅝	.80
Coffee, lb.	.07⅛	.07¼	.08¾
Hides	.10¼	.10¼	.10
Weekly Indices			
N. Y. Annalist	125.3	122.6	123.4
Fishers'	83.8	83.1	81.6
N. Y. Journal of Comm.	82.0	81.5	78.7
Crumps (Brit.)	69	68.5	64.2
U. S. Labor	79.4	78.7	78.9
Canada (D.B.S.)	72.7	72.6	71.2
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (June)	80.0	80.1	78.8
W'sale (May)	71.8	72.2	72.2
U. S. Labor (Mar.)	79.6	80.6	79.4
Gt. Brit. (Mar.)	81.7	81.7	86.9

Note: The base of indices is that 1926 equals 100. British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows. cattle—steers, good, over 1,050 lb., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; Sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—No. 1 packer light native cows, New York; hogs — select bacons, Toronto.

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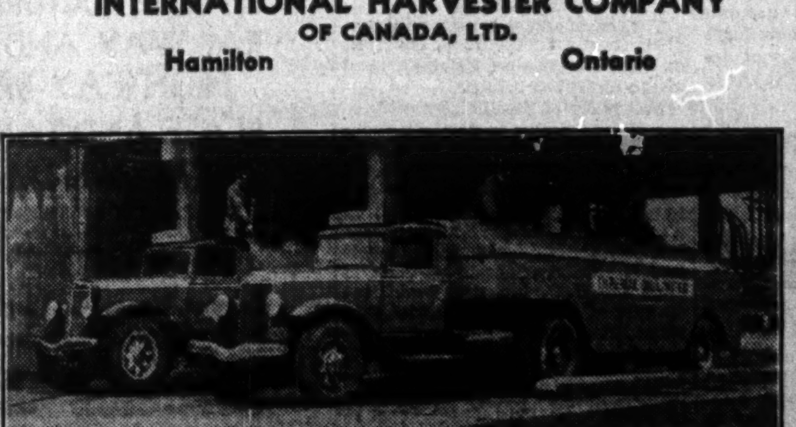

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INTERNATIONAL TRUCKS

In The Construction World

Real Building Still Ahead?

RESIDENTIAL building in both Canada and the United States has been showing steady gains in the last 3 years, until activity today has reached notable proportions. But much more expansion is anticipated once confidence in general recovery gets more firmly established. With a fair number of what are now merely potential buyers transferred to actual purchasers, a real spurt would be inevitable. If much of the money paid out for such building is used in turn by the workers to finance house building on their own account, then the stage is prepared for cumulative expansion or even a boom.

In any case, the National City Bank of New York in its July letter believes the housing field has still ahead something like the increase in automobile activity which followed the first lifting of the depression. It states:

> "Undoubtedly the chief reason for expecting building gains to continue is that people during the depression stinted themselves in housing more than in most other wants, through doubling up, postponement of marriages, and use of houses beyond their normal life. The situation in effect parallels that of the automobile industry 2 or 3 years ago, when the number of cars registered had dropped 10% from the peak and the average age of cars in use was climbing steadily. As people regained their purchasing power they began to fill their wants for automobiles, and the industry has had a sensational improvement. There is no reason to doubt that residential construction will follow the same course and for the same reasons, as rapidly as the economic factors involved become favorable."

* * *

Hard to Estimate Benefits

BENEFITS from such a development, provided, of course, it is not carried to unjustifiable proportions, would be almost inestimable. Not only would there be a vast new outlet for the products of heavy industries which to date have shared only meagrely in recovery, but in indirect advantage would probably accrue the greatest gain.

Construction is largely an outdoor job. Appetites of dinner pail size are created. This sort of work offers about the only possible chance of larger food sales because appetites of indoor workers show little variation.

But this gain would be merely trivial as compared with the effect on employment. In general construction lies the hope of real work for the skilled and unskilled labor. Such classes form the bulk of the employable relief recipients. Every one taken off the dole and put to work not only saves the country the dollars being paid that individual now and his family, but also provides a brand new purchaser of all the things that go to make up a moderate standard of living.

* * *

Rail Equipment

ALL FREIGHT cars operating over U. S. railway lines might today be of steel, aluminum or other metal construction had it not been for the onset of the depression in 1930.

An order was drafted by U. S. transportation authorities — apparently with the consent of railroad companies—abolishing the wooden freight car and its fire and wreck hazards. But in 1930 it was obvious that the order could not be enforced and it was consequently suspended until business conditions again permitted consideration of freight car modernization and gradual replacement of old type freight carriers with modern steel cars. One provision of the suspended order prohibited the entry of wooden freight cars into the U. S. from other countries.

Meanwhile, railway modernization has again become pressing both in Canada and the U. S., but it has made faster progress across the border. Canada, too, must eventually modernize her rail equipment and rolling stock, and investors who believe there is a substantial backlog of railway modernization buying still to appear are currently showing interest in the railway equipment issues. Canadian Car and Foundry, National Steel Car, Hamilton Bridge, Dominion Engineering and Steel of Canada, are focal points of discussion in investment quarters.

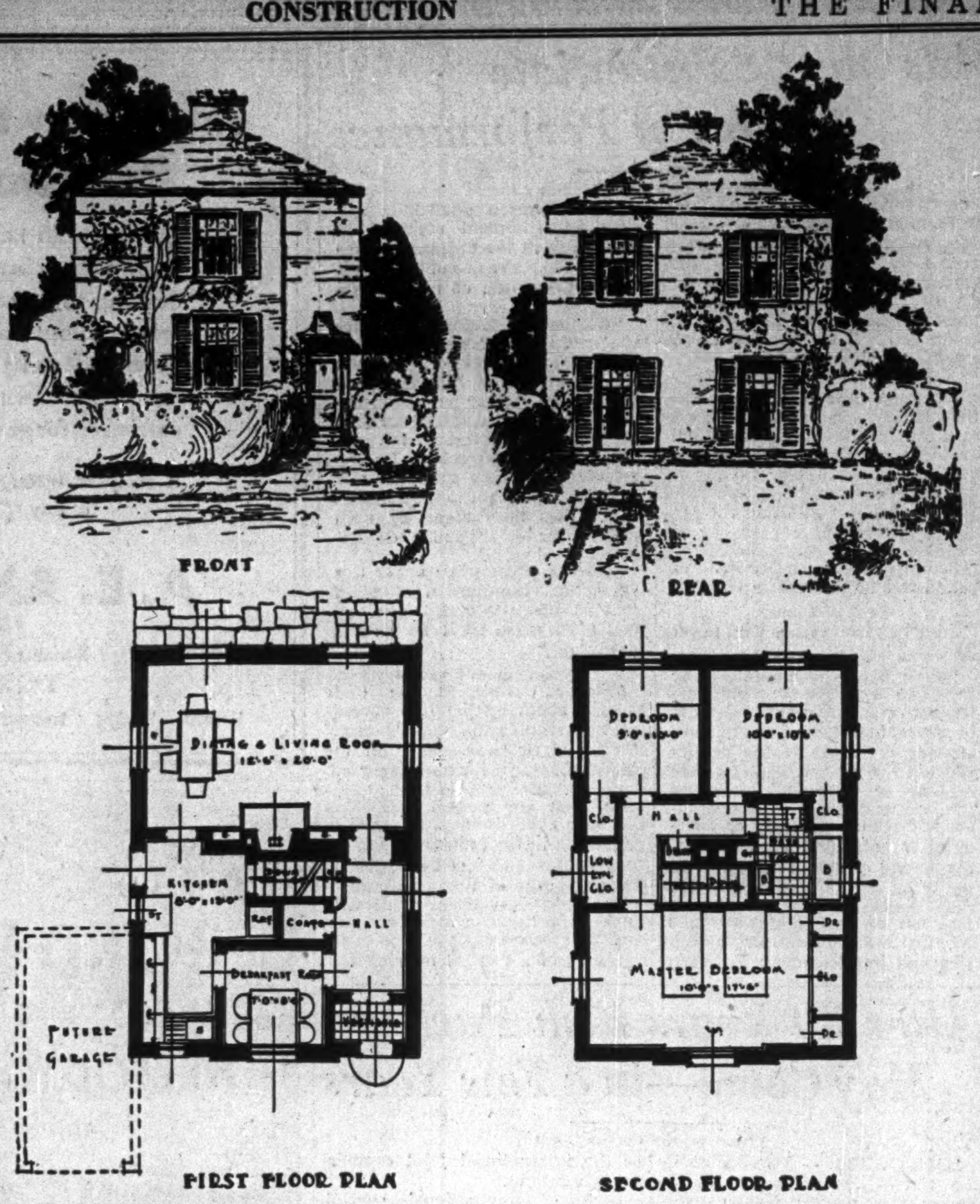
* * *

Disappearing City Mansions

BURBANK'S feat of making two blades of grass grow where only one thrived before was picayune stuff compared with that of the present-day builder who puts a 50-family apartment on the grounds formerly occupied by a single large city residence. Yet this sort of development is going forward in every large city in Canada.

Burdened by mounting taxation many old town homes are being abandoned. There seem to be no buyers for these country estates in the city. After standing practically idle for a year or two, they are sold. Unless the building is one that can readily be turned into an apartment, it is usually razed and replaced by a modern structure.

Of course improved transportation also plays a part. When many of these fine, old homes were built they were then just as secluded as the country estate of today. But the location of the latter would have been practically inaccessible many months of the year, half a century ago. Now hard surface roads bring rural estates, even 25 miles away, within an hour of the town office.



SIMPLIFIED INTERIOR

Extremely simple in interior plan is this third prize design in the recent Dominion Housing Act architectural competition. It was submitted by Arthur W. Davidson, M.R.A.I.C., of Brockville, Ont. Like the other winning houses in the competition, its aim is to make as much usable space as possible in a comparatively small house.

This particular design is of almost 16,000 cu. ft. To build such a house for less than $5,000 including lot would probably mean exterior walls of frame, stucco or masonry veneer. For municipalities where building restrictions call for solid masonry walls up to the first story, as is the case in Toronto and some other eastern cities, there would have to be a substantial addition in cost.

U.K. Exports Keep Buoyant B.C. Lumber

High Sterling and British Preference Chief Recovery Factors

From Our Own Correspondent

VANCOUVER.—British Columbia continues to dominate the lumber export trade of the Pacific Northwest, much to the discomfort of American sawmill operators. About 72% of this business is going to the mills of this province, the balance to Oregon and Washington, which only a few years ago held a position just the reverse of their present one in relation to B.C.

U. K. Big Market

The big factor, of course, is the United Kingdom, which absorbed half British Columbia's total export of lumber in May. The U.K. market took about 40 million board feet in that month, as compared with a total export of 75 million feet. During that month American mills shipped only about 3 million feet of lumber to the British Isles, the disparity in the figures being due to the British Empire trade agreements.

Watch Trade Negotiations

Because of the importance attached to continuance of British buying, this province is keenly interested in the proposed revision of these agreements. It will strongly oppose any move to modify the protection now given to B.C. lumber, which without a tariff preference would not only suffer from U.S. competition but from low-cost Russian and Scandinavian lumber in the British market.

Rise of the pound sterling from $3.60 to $5, 3 years ago was the real foundation for the present big export though the recent Canada-U.S. trade treaty has also been a factor.

Major benefits of recovery so far appear to have gone chiefly to workers. Earnings on invested capital remain at low levels. It is widely conceded, however, that the rise of wages in the industry is helping to maintain economic recovery in British Columbia.

Profit From Sterling's rise

If the pound sterling were to drop to much lower levels, the effect would be to reduce earnings to the vanishing point. One important reason for this is that wages have risen to the highest levels on record except for a short time in 1921.

B. C. lumber sold in Great Britain brings a price of £11 to £12 per 1,000 board ft., the figure depending upon sizes and quality. This sterling price represents an advance of only about 5% over depression levels. However, the rise of sterling from less than $4 to over $5 has increased the return to B. C. operators by 25 to 35%.

Wages Move Up

The rise of wages, which, with supplies, constitutes the major cost item in the industry, has absorbed most of the improved returns.

Proximity of the B. C. industry to the United States is partly responsible for the rise of wage rates. The N.R.A., American unionization and B.C. wage legislation are the important influences in increasing wage costs of B.C. lumber firms. The resultant situation, therefore, is that if sterling were to go back to $3.60 the B.C. industry could not operate at all at present price and wage rates; and that lumber workers have effective income about 25% above the best previous levels on record because of the decline in costs of living.

Exports to U.S.A.

Returns for the first 5 months of this year indicate that the Canadian quota of 250,000,000 feet in the U.S. market under the new trade agreement will not be filled this year unless some other markets disappear unexpectedly.

Quebec Plumbing Market Offers Salesmen Field

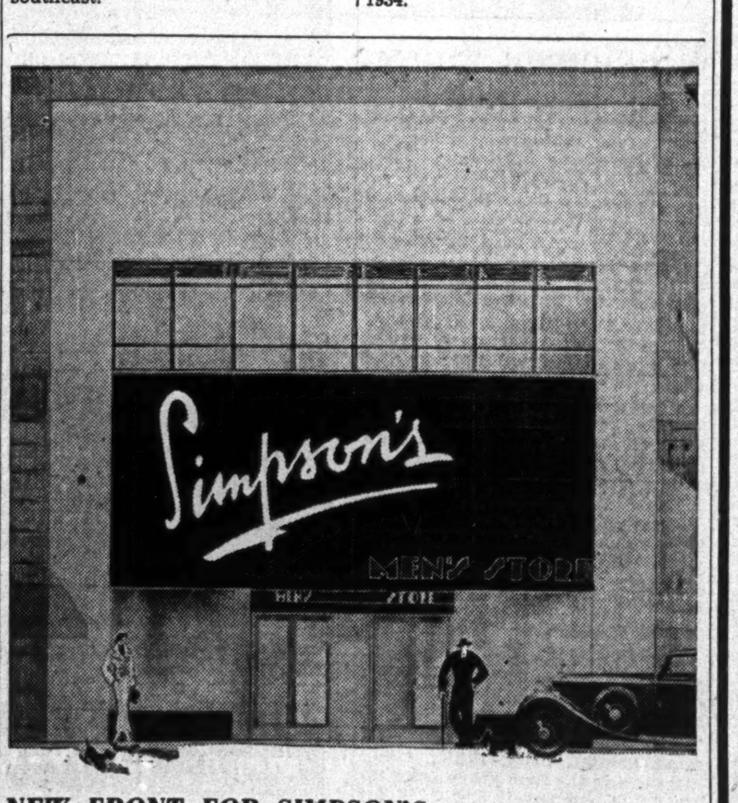
More than half of all the farms in Canada which boast of "piped" water in their kitchens are located in Quebec, according to a special analysis of the Quebec market for sale of plumbing installations and fixtures by the Canadian Institute of Plumbing and Heating.

One reason for this is said to be the absence of by-law restrictions, particularly in smaller municipalities. Thus the sale of plumbing materials is almost exclusively through the local hardware and general stores, with the installations carried on either by the local tinsmith or by the farmer himself. The best potential field for sale of this equipment in Quebec Province is said to be a section in the southwest corner of the province extending from Argenteuil on the northwest to the southeast.

Vacuum Cleaner Sales Show Increase of 62%

Factory sales of electric vacuum cleaners, parts and attachments by Canadian producers jumped 62% in 1935 to place the value at $2.4 millions. Sales included 40,937 floor models valued at $1,570,000; 12,736 hand models at $162,000; parts at $567,000 and attachments at $114,000.

Production in 1935 included 39,392 floor models—an increase of 22.5%, compared with the similar figure for 1934. Production of hand models was sharply lower than in the previous year. Importations of floor model cleaners dropped more than 50% during 1935, but imports of hand cleaners and parts gained substantially. Exports advanced to 6,841 units valued at $635,000 as compared with less than 5,000 units valued at only $255,000 exported in 1934.



NEW FRONT FOR SIMPSON'S

Recent purchase of the McConkey restaurant premises at 33 Queen Street, Toronto, will give the Robert Simpson Co. a new entrance opposite the city hall. The new stone-faced front as shown above will have a large cross panel in black, white and aluminum. There will be two revolving doors with window display space on either side.

The inside of the store will be completely made over, the main floor being used for shopping and the second story for office space. Modernization will be completed during the summer.

STEEL STRUCTURES
RAILWAY AND HIGHWAY BRIDGES
PLATE AND TANK WORK
ELECTRIC AND HAND POWER CRANES
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Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Gear Cutting, General Machine Work, Forgings.
DB COMPANY LIMITED
DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE - - LACHINE (MONTREAL) QUE.
BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

Ontario Paper Sets Record In Putting Up Steam Plant

When Ontario Hydro Power Commission notified Ontario Paper Co. that it could only count on power for steam generation at Thorold until May 1, 1936, many engineers thought that the company had been presented with an almost insoluble problem. Modern Power, in its current issue, tells the story of how, in 6 months of uncertain winter weather, the company, its engineers and various Canadian and United States firms were able to provide a modern plant with a capacity of 300,000 pounds of steam per hour, a task which usually takes from 9 to 12 months.

Both Thorough and Rapid

On November 1, 1935, the management selected a committee from its executive and engineering staff under R. W. Shaver to study the situation.

As soon as major engineering decisions were made tenders were asked and on December 13 Foster Wheeler Co. got the order for two 458-lb. boilers. This company had only 20 weeks to design, construct, erect and put in service these boilers.

To complicate matters, it was found it would be unwise to put the new boilers in the old buildings. So the old plant was demolished and the new had to be erected at the least favorable time of the year. Altogether, 500 tons of steel were ordered to go in this building.

The boilers selected are of a 3-drum vertical type. The drums are all seamless of fusion welded construction.

Here are the stages in the process:

Dismantling old boiler plant started November 29 and was completed December 31;

Jan. 1-8, clearing the site and starting excavation;

Jan. 9, first concrete poured;

Feb. 6, first building steel arrived;

Feb. 26, first brickwork began;

March 4, boiler erection started;

April 9, No. 1 boiler passed final pressure test;

April 13, No. 2 boiler passed final inspection;

April 29, first burner started;

May 6, No. 1 boiler ready for continuous service;

May 13, Lord Tweedsmuir, Governor-General, officially opened plant.

Shift Concrete Roadway By Compressed Air in Hose

Something decidedly new in a construction problem faced contractors in New Jersey recently when they were asked to move an 8-mile strip of concrete highway a lateral distance of 12 feet. Increased traffic on a 3-lane roadway made it necessary to have a fourth lane, and the authorities decided to put a 12-ft. boulevard down the centre.

An investigation showed that it was feasible to move one of the outside strips. In other words, it would cost less to undertake this task than to break up the strip, lay a boulevard and construct 2 more strips on the outside. The contractors cleaned out the tar-filled crack which separated the third from the second strip of concrete. In this they inserted a deflated fire hose and then turned on the air.

Air Hose Practical

"It was originally intended to use mechanical jacks," explained the engineeer, "but in order to do this it was necessary first to open up the half-inch wide expansion joint a sufficient distance to admit them. In the course of our investigation of various ways of doing this, we employed the hose, slackening it for insertion into the crack and then filling it with water under pressure. This worked all right so far as moving the concrete was concerned, but it had one disadvantage—that of having to dispose of the water. which would weaken the foundation. It was because of this that we tried compressed air. It acted so well that the question at once arose: Why not use air for the entire movement? Further experimentation showed that this could be done."

From the start of regular operations the system functioned smoothly, and the results obtained have fully met all expectations. Approximately 500 ft. of pavement was moved each working day.

490 Feet at Time

The concrete strip shifted was 14½ ft. wide and had a transverse expansion joint at intervals of about 35 ft. The established procedure called for the moving of from 12 to 14 of these slabs at a time, or a total length of from 420 to 490 ft. Concrete was 9 inches thick and reinforced. As each slab weighed about 30 tons, the aggregate load was in the neighborhood of 400 tons.

For the first moving, a 3-inch linen fire hose was used, which pushed the concrete over about 2 inches. Then a 6-inch rubber-lined hose was used. Each inflation of the latter moved the concrete 3 inches, after which the air was taken from the hose, the hose readjusted, planks inserted in the crack to hold what was gained in the moving and the process repeated.

Nearly 2,000 radio receiving sets were sold in the Maritime provinces during the first quarter of the year. The 1,996 sets sold compare with 1,497 sets in the previous similar quarter.

Private Building Up in Vancouver

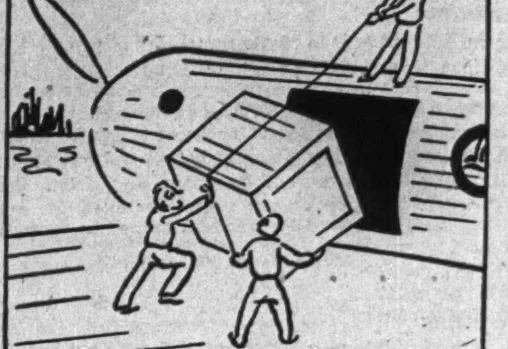
Residential Construction Is Main Activity in June

With big public building such as the city hall and post office now nearing completion, Vancouver had to depend largely on private construction for June building records. As a result, while private building during that month was higher, as is indicated by the increase in the number of permits issued, on the other hand, total value was down. There were slightly over 300 permits issued in June, 1936, valued at $379,000, as compared with 238 permits in June, 1935, valued at $506,000.

Half Year Up

For the first 6 months of the year, however, total value of permits issued is more than double the first half of 1935. Figures for the first 6 months of 1936 were as follows: permits issued, 1,593; value, $3,060,325.. This compares with slightly under 1,300 permits issued for the first half of 1935, valued at $1,331,000; and 957 permits for the corresponding period of 1934, valued at slightly over $700,000.

By far the largest single item of construction for Vancouver during June was residential building. There were 60 permits issued for this type of work, valued at over $150,000. A high school extension valued at $70,000 was the next biggest item.



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Architects: Perrault & Gadbois.
Contractors: Dansereau Limitée.
Roofers: Roofers, Inc.

Safeguarding Five Thousand Lives

In no other field of public service is the protection of life of such importance as in the great humanitarian work of St-Jean de Dieu Hospital. The selection by that institution . . . the largest and most modern of its kind on the continent . . . of a Murray Built-Up Coal Tar Pitch and Gravel Roof for the Pavilion Notre Dame du Rosaire is additional evidence of the nation-wide preferment earned by Murray Bonded Roofs. Murray engineers will be glad to consult with you at any time on any roofing problem you may have, without obligation. Write or call the nearest office.

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Consolidated Bakeries

I would appreciate a brief report on the present position and prospects of Consolidated Bakeries.

Consolidated Bakeries has experienced steadily increasing earnings during the past 3 years. Earnings per share have increased from 2 cents in 1932 to 90 cents in 1935. A continuation of this trend can be expected if consumer purchasing power continues to improve. We understand that in the current year earnings of baking concerns generally have been better than in 1935. In addition, the company has a very strong balance sheet position.

Dominion Coal

Please let me know something about Dominion Coal preferred. I notice the stock returns a relatively high yield, but marketwise it has not shown up very well.

Dominion Coal preferred stock has not shown any particular activity marketwise, despite the fact that the dividend is being earned and the return on the present market value gives a yield of around 9%. Two factors seem to depress the market value of this stock. First is the doubt concerning the company's ability to maintain its present high rate of earnings, based on the assumption that the showing is largely made because of the subventions granted by the Dominion government on the movement of coal from the Maritimes to central Canada. These coal subventions have been part of the Dominion's policy for many years, and it is not anticipated there will be any change. The second factor has to do with the market position of the stock. When the old preferred was split 8 for 1, shareholders began liquidating part of their holdings. This liquidation has had a depressing effect upon the market, but it is the view that the liquidation has now about run its course and in future the stock should show more buoyancy.

B. C. Telephone

Do you consider British Columbia Telephone 5% bonds a good investment?

The company earns its bond interest by a steady and substantial margin. However, the bonds sell at 3 or 4 points above the price at which they are callable, namely 105. As long as present low interest rates prevail there is always the possibility that such bonds will be called at a lower price than you pay in order to refinance them at a reduced rate of interest.

Can. Wirebound

I am considering the purchase of Canadian Wirebound Boxes stock for a 5-year period. What is your opinion of this stock?

As you perhaps know the class A stock of Canadian Wirebound Boxes Ltd. is entitled to $1.50 annual cumulative dividend. With the payment of 37½ cents a share on July 1, there were arrears of dividends of $3.25 a share. In addition to carrying a cumulative preference dividend of $1.50 a share, the class A shares participate equally with class B shares in any distribution in excess of the non-cumulative dividend of $1 on class B shares.

Canadian Wirebound Boxes is enjoying a share of improved business in the container and box business. It earned the full dividend of $1.50 a share on the class A stock in the year ended April 30, 1935, and in the year ended April 30, 1936, earnings amounted to $2.35 a share.

Some further appreciation in the price of class A shares would not be unexpected when payment of arrears is made and earnings of the company demonstrate that the full dividend can be paid regularly. Since 1930 the number of class A shares outstanding has been reduced from 90,000 to 60,000. In addition the company has set up a non-distributable surplus which at April 30 last amounted to about $90,000. The company is obligated to add 10% of earnings each year to this surplus until it reaches $500,000. This accumulation of surplus and reduction of class A shares should work to the advantage of investors in the long run.

H. Walker - G. & W.

I am interested in both the common and preferred stock of Hiram Walker-Gooderham and Worts and would like to know if it is reasonable to expect that the company will continue to pay the $2 dividend on the common.

The earnings record of Hiram Walker-Gooderham & Worts since 1933 would indicate that the company can continue to pay the $2 dividend on the common stock, in the year ended Oct. 31, 1934, $4.40 a share was earned on the common stock; in the 1935 fiscal year, $4.10 a share; and in the 6 months ended Feb. 29, 1936, $3.17 a share. It is reasonable to suppose that the $2 dividend on the common stock would not have been started if directors did not think that it could be continued as long as the present revenue is being obtained The company's situation has been improved by the fact that it has made a settlement of the U. S. duty claim on alleged smuggled liquor during the prohibition period. In time, of course, the present keen competition in the U. S. spirits trade may become more intense, but the company is well equipped to get a big share of the market.

Vancouver Bonds

What do you think of city of Vancouver bonds as an investment?

City of Vancouver, as you know, has been campaigning for a reduction in interest rates, and this has reduced the value of the bonds materially. For instance, recent quotations have been around 80 for 5% bonds. The city's affairs appear to be improving so that eventually the bonds may sell at better prices, but they will continue uncertain as investments and as to marketability as long as the interest agitation continues. It begins to appear that interest reduction is unnecessary and perhaps avoidable.

Canadian Canners

I recently purchased a Canadian Canners bond and would appreciate your opinion of this as an investment. Safety of principal and income are essential.

Canadian Canners has covered its bond interest by a good margin in good and bad times, with the exception of the year ended Feb. 29, 1932, when earnings amounted to only half the bond interest after deducting depreciation. Last year interest was earned 2.59 times after depreciation. The bonds carry a conversion privilege entitling the holders to exchange $100 of bonds into 5 shares of common stock up to 1943, and into 4 shares of common stock thereafter. At present, the conversion feature does not appear to be of much value, but it may be some aid in the future. The company has strong competition, but appears to be able to hold its own. Recent hot weather may not contribute to a satisfactory pack in some summer fruits and vegetables this year but may raise prices.

W. E. and L. S. Bonds

I hold $2,000 in bonds of Windsor, Essex and Lake Shore Railway which has been in default for some time. What is the present position of these bonds? Is there any possibility of a payment being made in the near future?

Windsor, Essex and Lake Shore Railway Co. is no longer operating. The physical assets are being sold through the trustee, but the proceeds are not sufficient to mean much to bondholders. The chief assets of the railway's bonds are debentures of some $1.1 million of 9 municipalities formerly served by the road. These municipalities are the townships of Sandwich West, Sandwich East, Sandwich South, Gosfield North, Gosfield South, and the towns of Essex, Kingsville, Leamington, and the city of Windsor. Most of these municipalities are in default.

What you hold are claims through the trustee of the bonds against 9 municipalities, and each of the 9 claims may have to be settled separately. Since the municipalities are not in good financial position, some loss to bondholders appears likely to accrue. For instance, bonds of the city of Windsor deposited as securities for the railway bonds will be treated the same as other bonds under the Windsor refinancing scheme. That is, the present bonds will be exchanged for new 60-year bonds bearing interest at 3½%. It is rather difficult to say when a refinancing scheme for the railway bonds will be worked out, and what the reduction in interest and principal will be. Some interest should be available this year.

B. C. Bonds

I have about $5,000 which I wish to invest in bonds that are marketable quickly. I am wondering whether British Columbia bonds would be a good purchase at present prices. I might say that I already hold some B. C. bonds.

Because of the recent swings in the market for long-term British Columbia bonds a further addition to your list of these securities might not be satisfactory in that they may not fill the bill as far as immediate liquidity is concerned. However, the low price at which the bonds are available lends them attractions, provided you are willing to take the risk of a fluctuating market. Of course, there is the possibility of a rise in prices.

Paymaster Consolidated

What do you consider to be the outlook for Paymaster Consolidated Gold Mines? You would oblige me by supplying a brief report on present conditions at this property.

Paymaster Consolidated Mines owns a producing gold property in the Porcupine area of Ontario. The company has had considerable success in enlarging its ore reserves, which are now well over 200,000 tons of commercial grade. In conjunction with increasing ore reserves, the company has steadily stepped up its mill rate, which is now averaging around 380 tons per day. The company's fiscal year ends June 30, and the 1936 report is not yet, of course, available. However, it is apparent that there will be a substantial improvement over last year, when operations resulted in a deficit of $43,420. The company is well financed and is in good hands.

One of the reasons why the market action of this stock does not on the surface appear to reflect property development is the comparatively large authorized capitalization of $9 millions in $1 par value shares. At the end of the last fiscal year, $6,850,091 had been issued.

The Woman Investor

Equities and Bonds

HERE is the problem of an investment adviser to a woman past middle age whose only income is from securities. She has $10,000 in Dominion government bonds from which annual income cannot be much more than $300 annually.

The considerations he has in mind are reasonable safety, fair income, and purchase of common shares as a hedge against a rise in cost of living; that is against a decline in purchasing power of fixed income.

With these things in mind, it is suggested that this list of stocks be bought, in addition to the $10,000 of bonds:

	Price	Amount	Income
	$	$	$
5 Page-Hersey ..	90	450	15.00
25 Can. Vinegars .	21	525	30.00
5 Consumers' Gas	203	1,015	50.00
20 Can. Malting ..	33	660	*30.00
10 Int. Petroleum.	37	370	25.00
25 Imperial Oil ..	21	525	31.25
25 B. A. Oil	25	625	20.00
25 Loblaw, A	21	525	25.00
10 Noranda	57	570	22.50
10 Lake Shore	59	590	*40.00
25 F. N. Burt	41	1,025	50.00
Total		6,880	*338.75

*Plus extras.

It might be noted that Consumers' Gas gives a substantial yield but that recently gas sales have not responded as much as might be desirable to the forces of recovery. Also, while Canada Vinegars record has been good it was demonstrated last year that a short period of adverse conditions can upset the ordinarily stable profits.

Other similar problems in connection with holdings of equity securities could be cited, although the foregoing list certainly shows evidence of shrewd selection.

Consider Alternatives

Possibly this woman would be well advised to consider alternatives such as these:

Investment of a substantial amount in an annuity since her age would allow fairly attractive terms.

Purchase of equities at a discount through a few investment trust shares.

Devotion of some of the equity funds to investment in convertible bonds such as C.P.R. 3½'s of 1951 or in participating preferreds like Canadian Celanese or Moore Corp. convertible A preferred.

It seems wise under present conditions to take advantage of the attractions of equity-type investments but it need not be done entirely by purchasing straight common share investments which involve rather substantial risks.

STOCKS LISTED AND UNLISTED BONDS
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Members
THE TORONTO STOCK EXCHANGE
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TORONTO
Elgin 3294

Rackets

Slum Swindle

RACKETS are no respecter of places or persons.

Assessment records covering the slum districts of large cities indicate a vicious swindle in old buildings, but one which is difficult to detect. It flourishes especially in the older centres, such as Montreal and Toronto.

Some time ago, several of the larger Canadian cities made a very substantial reduction in taxes on properties of low value. This was intended as a charitable step toward slum dwellers, many of whom were out of work. Usually the reduction applied to properties valued at $2,000 or less.

But many of such properties are really revenue producers. Space is let to transients at so much per person per night. In some instances business is believed quite large perhaps averaging $25 or $30 weekly. But it is difficult to check up, because the people occupying the premises for the night come and go, and, of course, no books are kept.

Owners of the premises, however, pay little in taxes, and certainly only about half of the regular rate. Not only does the city lose the revenue but the special tax reduction offered actually tends to encourage slums which in turn menace surrounding property.

At first the tax reduction applied to all such property whether it was occupied by the owner or not. To stop a quickly developing racket among landlords, an added stipulation provided that the special tax reduction only apply to property occupied by the owners. But such a step did not prevent some of these property owners using their houses for the lowest type of rooming quarters. Determined to keep their property within the figure at which the reduction in taxes was stipulated, the owners made no attempt at improvement, and even encouraged deterioration in the hopes of still further assessment reduction.

Records reveal that houses valued at the nominal figure of $500 have had a further $100 cut off assessment, which figures out at a reduction of 20%.

More International Travel

International bridge, ferry and tunnel companies operating between Canada and the United States, all across the Ontario boundary, report a total of 24,027,943 persons crossing the border in 1935, compared with 21,878,322 in the previous year.

Newsprint Securities

Consolidated Paper

Rapid Rise in Bond Value Recorded—Further Advance Depends on Price of Newsprint — Position of Securities Analyzed

From Our Own Correspondent

MONTREAL.—Renewal of interest in newsprint securities, together with a rapid rise in market values, has brought about a closer study of this group and possibilities of the individual companies. The advance to date in values has been due to speculative buying based on report of record production and consumption of newsprint paper, combined with likelihood of higher prices prevailing for this product from 1937 onward.

Well to the fore in interest has been Consolidated Paper Corp., whose bonds have risen in value from a low of a little better than 10 to a current level of more than 50. This rise has not been spread over any lengthy period, but has taken place in the last few months. Undoubtedly Consolidated bonds, like those of other companies in the industry, have been undervalued, but the recent very substantial advance has naturally brought up the question of possible overvaluation in the light of present conditions and prospects.

Need For Reorganization

When Consolidated acquired the properties of Canada Power and Paper in 1931, operations were at a very low point, profits were wholly inadequate to meet charges; current bank loans were over $15 millions; and there were numerous other liabilities which made it imperative to carry out a reorganization.

The rehabilitation was effected; tens of millions of capital wiped out; the capital structure simplified. Two small underlying bond issues were left undisturbed. Nearly $60 millions of other underlying bonds; over $35 millions of direct bonded debt; $32 millions of underlying preferred and a large block of common stock were reduced to $51.4 millions of 5½% first mortgage bonds and 1,534,725 shares of no par value common stock. There are many who contended then and still contend that the "dewatering process" did not go far enough, but a reduction of 50% in par value of fixed interest bearing securities and elimination of cumulative charges on $32 millions of preferred, gave some assurance that the company could re-establish itself.

Recovery Has Been Impressive

While Consolidated Paper has neither fully re-established its financial position or earning power, a great deal of progress has been made. The low point was reached in 1931 when bank loans totalled $21.7 millions. They now are $11 millions.

The Montreal Trust Co. loan has been reduced by $209,795 to $336,722 at the end of last March.

Capital liabilities of over $3.5 millions have been liquidated, and bonds of subsidiary companies have been reduced by $692,460.

Liabilities Off $15 Millions

The total reduction in these liabilities since the reorganization to the end of last March has been $15,172,018.

At January 1, 1932, the date of commencement of operations by Consolidated, the total of liabilities, other than first mortgage bonds, exceeded current assets by $10.1 millions. This has been reduced to around $4.3 millions, an improvement of $5.8 millions.

This is a highly creditable showing in view of the conditions under which the company operated during the last 4½ years. What of earnings?

Price Affects Earnings

Before considering earnings, it is well to examine the price of newsprint, the principal product manufactured by the company and its main source of revenue.

In 1931 the market price of newsprint delivered in the New York and Chicago areas was $57 a ton. By the beginning of 1932 it was reduced to $52 a ton. A further reduction to $45 a ton was made June 1, 1932 and April 1, 1936, to $40 a ton, at which price it remained until January 1, 1936, when it was increased to $41 a ton.

These are the official prices for newsprint. Practically every operator in the industry made concessions of one kind in order to secure new business or to hold old business, so that the "official" prices can be taken as the maximum received during the period covered.

Earnings Coming Back

Despite the drop in the dollar value of newsprint and that the company's plant facilities were only partially used, earnings have recovered as follows:

(Net Operating Results, Before Depreciation, Depletion and Bond Interest)

	$
Year ended March 31, 1933	*93,087
Year ended March 31, 1934	*235,141
Year ended March 31, 1935	1,044,320
Year ended March 31, 1936	2,269,449

* Loss.

The remarkable feature of the sharp rise of earnings in the latest year is that it is attributed mostly to reduction in operating costs.

Room For Expansion

Newsprint operations in the last fiscal year were around 60% of capacity against 50% in 1934-35 and about 33 1/3% in the 2 preceding years. It is here the effect of reduced costs should become more apparent as volume rises.

Growth in Earnings

While the company receives revenue from the sale of kraft paper, lumber and sulphite, the bulk of its income is derived from newsprint. On the assumption that all of its revenue was from newsprint, Consolidated earned about $6.54 a ton in 1934-35, with newsprint at $40 a ton and operations around 50% of capacity.

During the next year, with operations at about 60% and the selling price $40.25 a ton (increase only applied to last 3 months of fiscal year) earnings were $8.61 a ton of paper produced.

Had the $1 a ton price increase been in effect the whole year, the company could have shown about $9.36 a ton.

Need $5 Million to Cover

In order to cover bank loan and bond interest charges, as well as setting up $2 millions for depreciation, Consolidated would need to earn $12 a ton on 450,000 tons of production. The latter would represent operations at two-thirds of capacity, a level at which the company is now operating.

The prospect of securing a return of $12 a ton depends upon a price increase. If the operators are able to secure an advance of $3 a ton on 1937 deliveries, then Consolidated will be in a position to achieve the objective. It may not earn that much, but, on the other hand, if the rate of progress in the last 3 years is maintained, the company should be able to earn well over $11 a ton.

May be Concessions

To date the rise in market value of the bonds has been a reflection of the improved position of the company and the better prospects of the industry. Any further substantial advance will depend, very largely, upon ability of the company to meet its fixed obligations.

The position of the bonds at this time is of interest. There are outstanding in the hands of the public $51.4 millions, on which annual interest requirements would amount to around $2.8 millions.

Under the terms of the reorganization, interest on the bonds was put on an income basis, but becomes a fixed, cumulative charge as from July 2, 1936. The first semi-annual payment is due January 2, 1937.

The trust deed on the new bonds further provides that the company should set aside 1% of bonds outstanding on March 1 each year as from 1936.

Consolidated Paper has not met that charge and is in arrears $631,248 as at March 31 last. Failure to meet the sinking fund does not constitute a default, but no dividends can be paid on the common stock until the required payments have been made good.

Earnings as reported by the company in the past fiscal year would indicate that the company can meet the half yearly interest coupon January 2 next. But as bank loans amount to nearly $11.5 millions will the directors consider it advisable to make payment?

It would not be surprising, therefore, if the company seeks a further deferment of interest, or placing the bonds on an income basis, or a gradual stepping up of interest payments from a base yield of say 2%.

Equity to Bondholders

The bondholders will want more than prospects if interest charges are not met next January. For 5 years they have gone without any return on capital and it is not to be expected that further concessions will be made without compensation.

If the company seeks a further postponement of fixed charges, it may have to concede the bondholders a share of the equity. The extent of the stock interest depends naturally upon the concessions.

Stumbling Block to Common

Interest in the common stock is still negligible. The outlook for this security is obscure. Obligations in connection with the funded debt will have to be made good. Further, and of considerable importance, is the extent of possible dilution of the common stock equity in the event that the bondholders are given stock in return for additional concessions. Stock may not be given, but until the matter is settled the common is speculative.

Leverage Behind Stock

In the event that there is no change in the equity, the common of Consolidated Paper has tremendous leverage. At present the par value of loans and bonds totals $63 millions, as against a market value of around $6 millions for the common.

Thus there is a ratio of $10 of fixed or prior charges to $1 of stock. This is out of line under normal circumstances, and with this unusual leverage, there is reason for closely following developments affecting the common stock in view of a possible increase in earning power.

Agnew Surpass Shoe Declares Bonus on Stock

From Our Own Correspondent

MONTREAL.—Directors of Agnew Surpass Shoe Stores have declared a bonus of 20 cents a share on the common stock, in addition to the regular semi-annual dividend of 20 cents.

There are outstanding at present 79,520 shares, so that the bonus will involve a distribution of $15,905.

Last year Agnew Surpass earned 66 cents a share on the common stock as compared with 40 cents in 1934. Payment of the bonus was taken to indicate that earnings during the current year have been on a larger scale.

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Niagara Wire To Split Stock

Shares Will be Doubled When Authority Is Given

From Our Own Correspondent

MONTREAL.—Following the issue of supplementary letters patent to Niagara Wire Weaving Co., increasing its authorized common stock capital by 62,000 shares, it will be necessary for the company to double its shares outstanding. This means a 2 for 1 split of the company's common stock. Such a move had eventually been the aim of the board, as a step in obtaining a broader interest in the company, but at the time of the application it had merely sought the authority.

For the fiscal year ended March 31 last, the company's financial statement showed earnings equal to $2.07 a share on the common, against $1.22 a share for the preceding fiscal year.

The company's principal products form an essential part of the Fourdrinier paper machine, and consequently Niagara Wire is receiving a large volume of business due to the current record production of newsprint paper.

Montreal Apts. Suggests Changes

Bondholders Meet Aug. 4 to Vote on Alterations in Trust Deed

From Our Own Correspondent

MONTREAL.—Holders of the 7% general mortgage gold bonds of Montreal Apartments Ltd. will meet in Montreal, August 4, to pass upon proposals brought forward by the company.

It is proposed to establish an annual sinking fund of $50,000 commencing June 1, 1937, for the redemption of the bonds; the maturity date to be extended from May 1, 1938, until June 1, 1942, with interest at 7%; and the payment of principal and interest to be in Canadian funds only without provision for payment free from taxes.

Tremblay Gives up Rights

If the bondholders agree to extend the maturity date of the bonds and to take interest and principal in Canadian funds, P. R. du Tremblay, principal stockholder in the company, is relinquishing his rights in regard to the guarantee of the bonds.

Montreal Apartments owns the Chateau, Drummond and Drummond Court Apartments in Montreal. All obligations in connection with the funded debt have been met to date.

Joseph Simard on Board Of Sherwin-Williams

From Our Own Correspondent

MONTREAL.—J. A. Simard has been elected to the board of directors of the Sherwin-Williams Co. of Canada. Mr. Simard is president of Consolidated Marine Co., Sincennes-McNaughton Line, General Dredging Contractors, Manseau Shipyards and other Sorel companies. In addition he is also vice-president of Sun Trust Co., the Red Barge Line, North American Elevator Co., and a director of La Prevoyance Assurance Co.

Attractive Short Term Investments

Canadian Pacific Railway Company
2½% Three-Year and Five-Year Collateral Trust Bonds
PRICE:
3-Year Bonds due April 1, 1939
100 and interest to yield 2.50%.
5-Year Bonds due April 1, 1941
96.56 and interest to yield 3.25%.

THE Canadian Pacific Railway Company — one of the world's leading transportation systems—is one of Canada's greatest enterprises and its securities constitute one of the prime investments in the Dominion.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Eddy Co. Seeks Fixed Rate On Hull Assessment

From Our Own Correspondent

MONTREAL.—E. B. Eddy Co. has asked the Hull city council for continuation of the present fixed assessment for a further period of 10 years, with a view of proceeding shortly with a programme of plant improvements estimated to cost about $250,000. These plant improvements are understood to be along the lines of renovations and replacements in order to bring plant facilities up to peak efficiency.

The present assessment of the company is $4 millions, with the exemption of about $1.2 million under city by-laws. This is to continue until 1940. The company's taxes total about 12% of the total paid in Hull.

CANADIAN STOCK INVESTMENTS
Individual situations of interest are periodically reviewed by this firm. No obligation will be incurred by requesting that these reviews be mailed to you as issued.
Greenshields & Co
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TORONTO OTTAWA QUEBEC SHERBROOKE
39

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Like a strand, intricately woven, the Canada Permanent Mortgage Corporation is an integral part of the whole social fabric of Canada. For 81 years it has been a vital factor in community development throughout the Dominion. It has proved a dependable guardian of Savings, has promoted confidence and encouraged national thrift.
FOUNDED 1855
CANADA PERMANENT
Mortgage Corporation
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Make your vacation days - HAPPIER
Go away with the feeling of confidence that you will always keep "Within the Circle of Security" when you ride on Dunlop Tires. The unique Cable Cord construction, developed in the world-famous research laboratories of Dunlop, definitely assures you tires of dependability, safety and long life.
Outstanding in the DUNLOP range are the silent, luxurious DUNLOP FORT "90", the rugged, general-purpose DUNLOP "CITADEL", and the low-priced, highly dependable DUNLOP "RECORD".
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Fit DUNLOP
"THE WORLD'S FINEST"

B.C. Will Keep Credit Sound At All Costs

Financial Integrity Is Keynote of Government's Policy

PAY BILLS ON DOT

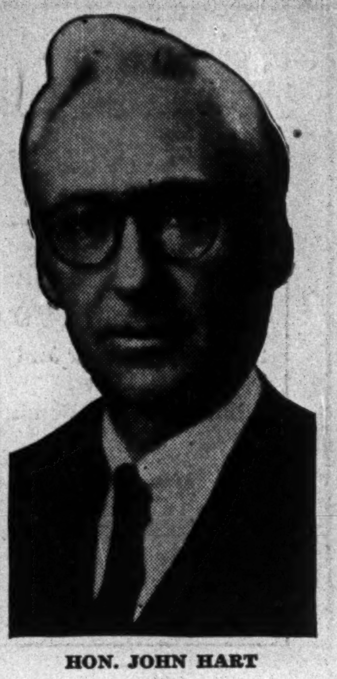
BY C. W. STOLLERY

VICTORIA.—Maintenance of British Columbia's financial integrity at all costs is to continue as the fiscal policy of the government as directed by Hon. John Hart, Minister of finance.

The aim is to establish confidence in B. C. securities so as to enable the government to finance at low rates.

In paying off the maturity of $3.5 millions of bonds on May 15, the government used accumulated cash arising from current account collections, without touching sinking funds.

The government would have preferred to obtain a loan from Ottawa to meet the maturity so as to maintain its cash position, but rather than even consider default the B. C. Minister of Finance would have used sinking funds if it were unavoidable.



HON. JOHN HART

Extends to Municipalities

The government policy of maintaining financial integrity goes further than merely meeting provincial debt maturities and interest on the dot. It will be aimed at aiding municipalities so that there will be no need for municipal defaults or debt adjustments such as have been proposed in Vancouver. The government view is that municipal defaults are unwarranted in the province and can be avoided.

These are official policies as outlined for The Financial Post by government authorities. The one uncertainty rests with the electorate; whether a C. C. F. government, if elected, would adopt other policies.

A decision has not yet been reached on just what method will be used to aid the municipalities. It appears likely, however, that a provincial sales tax may be imposed. Most, if not all of the proceeds would be available to restore at least in part the former provincial grants to municipalities. Measures along this line may be adopted at the autumn session of the legislature.

Where Cash Came From

There has been considerable speculation over just where the $3.5 millions of cash came from to pay the May 15 debt maturity.

Once explained, it is fairly simple. When in 1933 the Pattullo government took office, there was $7,497,000 of accumulated deficits unfinanced. These revenue deficits had been carried in the words of Mr. Hart, "by using funds belonging to special accounts."

One of the means of carrying the revenue deficits was use of $2,264,000 of borrowings for capital and relief accounts. Also, $1,817,000 of money belonging in special funds such as superannuation, teachers' pensions, estates, official guardian, and others had been used by the treasury. Finally, some $3,416,000 of accounts payable and accrued charges had been accumulated rather than paid. Total $7,497,000.

In Mr. Hart's opinion, the finances of the province had never before been in such a precarious position. Cheques had been issued for over $1 million in excess of funds in the bank. Further, cheques for some $315,000 had been written but could not be sent out on top of the overdrawn bank account.

Steps in Remedy

A survey of revenue probabilities showed that funds would not be forthcoming to meet all relief and debt redemptions. It was immediately decided to confine all other expenditures within current revenue, while borrowing from Ottawa for relief and debt maturities.

These policies were essential to restoration of working capital which had really been borrowed to the extent of $7,497,000 from special funds.

With the aid of Ottawa in meeting relief and debt maturities, it was the intention to use any surpluses in current account to restore the special funds. Current account surpluses, apart from relief and debt redemption, were built up as follows:

B. C. Current Account Surpluses
Three Years Ended March 31, 1936

2 Yrs. end. March 31, 1935:	$
Total revenue	42,970,579
Expenditure, excepting relief & debt retirement	41,000,876
Surplus of revenue	1,969,703
Year to March 31, 1936:	
Total revenue*	25,598,000
Estimated expenditures	22,185,000
Surplus of revenue	3,413,000
Total of surpluses, excluding relief & debt redempt.	5,382,703
Less: Sinking funds	672,156
Debt redemptions	1,093,100
Balance of surpluses	3,617,447

*Current, $25,528,000, being the highest on record, plus $70,000 return from capital account.

The $3,617,447 furnished the wherewithal to meet the maturity of $3.5 millions of bonds on May 15 of this year.

Restoration Deferred

It had been the intention to use this money for restoration of the funds from which the former government had borrowed it. For safety's sake, however, the money had not been invested but was held in form of cash. And when no federal aid was forthcoming to meet the May 15 maturity, the cash was used to pay off the bonds. Restoration of the special funds was therefore deferred.

Budget estimates had anticipated that the accumulated surplus in revenue account would be only $1,757,000 for the 3 years. Buoyancy of revenues, however, increased cash receipts; this being partly due to improved economic conditions in the province but also to reorganization of revenue departments. Gasoline tax revenues, for instance, were increased some $400,000 by halting bootleg sales by fishing boats, which get their fuel free of tax.

Present Policies

The provincial treasury continues to borrow from the Dominion for its share of unemployment relief expenditures and is still unable to resume full provision of sinking fund installments to protect future bond maturities. Moreover, the treasury view is that superannuation and pension funds must be restored at the earliest possible moment. The borrowings from these funds are costing the government 5% interest.

For these reasons, it is stated, a policy of strict economy obviously must continue.

In the depression years, economy has been effective in reducing administrative costs. There has been a rise of debt charges, however, which accounts for the keen desire of the treasury to establish the government's credit on a basis that will allow borrowing at low rates now prevailing. These developments are shown in comparison of 1931 and 1935 budget results, as follows:

B. C. Budget and Debt Comparison
Years Ended March 31

	1935 $000's	1931 $000's
Revenue:		
Tax revenue	11,156	11,324
Other revenue	11,606	12,957
Total current	22,762	24,281
Expenditures:		
Debt interest	7,889	5,926
Debt retirement	594	2,160
Unemploym't relief	...	892
Other current	13,114	20,122
Total current	21,597	29,100
Current surplus	1,164	*4,819
Capital account:		
Unemployment relief	5,807	...
Other cap. exp.	479	10,059
Total deficit	†5,121	14,878

* Deficit.
† Excluding $2,343,000 additional debt retirement requirements.

B. C. Debt at March 31

	1935 $000's	1931 $000's
Gross funded debt	147,571	115,656
Treasury bills	20,825	20,554
Total	168,396	136,213
Less: Net sink. fds.	29,520	21,520
Net total	138,876	114,693

Total revenue, of course, is now some $3 millions greater than for the year ended March 31, 1935. Increases are continuing. In his 1936 budget speech, Hon. John Hart estimated revenue for 1936-37 at $24.3 millions, as compared with his estimate of $24.5 millions for 1935-36. Probably revenues will exceed the estimate for 1936-37 as they did in the 12 months ended March 31, 1936.

Outlook for Future

Among financial problems for the future are these:

Funding of $27.5 millions borrowed from the Dominion government.

How to meet some $5 millions annual expenditure for direct relief.

How to resume some $2.3 millions additional annual sinking fund payments.

Restoration of some $7.5 millions of special funds that had been borrowed for working capital purposes up to 1933.

On the basis of the current account surplus of $3,413,000 realized in the latest fiscal year, it is believed continued economy would allow restoration of all special funds within 3 years. Then any surpluses would be available either to recommence full sinking fund payments or to meet a reduced annual amount of unemployment relief costs.

Hopes of Treasury

The treasury hopes that economic recovery will reduce the relief burden in the near future. In this connection, it is felt that British Columbia has much more than its fair share of relief to bear because drifters from all the West are said to find their way to the coast where the climate is agreeable, being comparatively mild. On this ground, it is claimed the federal government should contribute more to the B. C. relief coffers in the form of grants rather than loans.

Levying of a provincial sales tax would not only allow partial restoration of grants to municipalities but might also provide considerable revenue to help in meeting unemployment relief costs.

Taking the most optimistic view of the possibilities, the current budget problems may be met—always provided there is strict economy in administrative expenditures—by:

(1) Continuation of the increase of revenues.

(2) Declining relief costs or increased Dominion grants.

This leaves the problem of funding the borrowings of $27.5 millions from the Dominion government and of refinancing debt maturities so as to cut annual interest charges.

Problem of Debt

Premier Pattullo and other British Columbians would like to sell to the Dominion government the Pacific & Great Eastern Railway, owned by the province. The Dominion and the C.N.R. have shown little or no disposition to buy, but such a transaction, remote though it may be, would solve the problem of the B. C. debts to Ottawa.

Under Mr. Hart, the B. C. treasury is not counting on anything like a sale of the P. G. E. The treasury aim at present is to bring provincial finances into order and to restore confidence. The consequence, it is firmly believed, will be to raise the price of B. C. bonds. If this is accomplished, it is expected that the loans from the Dominion and future maturities could be financed at lower rates than prevail at present. If such debt funding were possible at even 3½%, it would mean considerable relief for the treasury, thus contributing to the solution of budget problems such as relief costs, debt redemption, and eventually might allow some resumption of capital works without additional strain on the provincial exchequer.

In Face of Radical Plans Hart Pursues Safe Course

By CHARLES L. SHAW

VANCOUVER.—Those who imagine the West is full of radical financial theorists and little else should look into the record of "Jack" Hart, white-haired Irishman from County Leitrim, who has been looking after B. C's fiscal affairs for a good many years and doing it so competently that he is fast building up a reputation as the best finance minister the province ever had.

It has not been easy going, not even within the government. Mr. Hart illustrates his problem with the story of the Irishman who complained that his wife was always asking for money. "What does she do with it?" asked a friend. The son of Erin replied: "I don't know. I haven't given her any."

McGeer and Aberhart

Nothing made John Hart more indignant than when Vancouver's Mayor Gerry McGeer started whooping things up for arbitrary bond interest reduction, a new deal in banking and revolutionary changes in Canada's economic system. Mr. Hart had just got negotiations nicely launched for refunding of British Columbia's borrowings and when McGeer started his celebrated "Battle of the Bonds," Mr. Hart read the headlines, shook his head and knew that his own battle was lost; that the market for his refunding bonds had vanished with the McGeer ballyhoo

And now Mr. Hart's bête noire is Aberhart. When Alberta defaulted, Alberta bonds declined, and so did British Columbia's, indicating, to Mr. Hart's indignation, that world money markets were associating British Columbia with Alberta.

Policy Is To Pay

Mr. Hart did his best to show the course British Columbia had adopted, officially, when he announced to the pleasant surprise of financial men everywhere that British Columbia would meet its $3,500,000 bond maturity in May on the nail—with cash. He even called in newspaper photographers to witness the attachment of his signature to the cheque that was to be proof of British Columbia's faith in orthodox financing.

The signing of the cheque was a splendid gesture, even though it must have been done a little reluctantly, for Mr. Hart had excellent reasons for wishing to retain that cash in the treasury. He had been hoping that Premier Pattullo would be able to persuade Mr. Dunning that British Columbia was entitled to another loan to meet the maturity. When Mr. Pattullo and the federal finance minister failed to come to terms, Mr. Hart dipped into the provincial pocket and brought forth the needed sum.

Experienced in Finance

Those who have followed John Hart's career in the past feel confident that he can solve the future financial problems of the province. He has been long years in the financial business apart from his personal intimacy with provincial treasury affairs for nearly 20 years.

John Hart first arrived in Victoria over 40 years ago, an almost unknown Irish youth with a strong liking for football. He found immediate opportunities to play the game in Victoria and got a job with a financial firm at $10 a month. He has been connected with finance in the B. C. capital ever since.

Back in 1916, when the Liberals swept into power under the late Harlan Carey Brewster, John Hart was elected in Victoria as one of Brewster's running mates. The veteran Ralph Smith was made finance minister, but he died a few months after taking office. Although his hair was as white then as it is today, Mr. Hart was then only 35 and untried in political administration. He was given the finance portfolio, however, and he held it for 12 years, during which time he established a record as a shrewd negotiator and executive.

Out and In Again

He had the distinction of never being defeated when he ran for office. He retired in 1928 and did not stand for re-election in the year that the Liberals tasted defeat at the hands of the reorganized Tory party under Dr. S. F. Tolmie. But in 1932, after devoting his holiday from politics with his old associates in the financial house of Gillespie, Hart & Todd, he was ready to run the province's finances again, and, sure enough, he headed the poll in his old home town, Victoria.

The way to get lower interest rates, he says, is to establish confidence by sound financing.

"By putting our financial house in order, by showing that we intend to pay our debts when due we have built up a feeling of confidence among investors," says Mr. Hart

But he wishes that people who think that West means Left would get the notion out of the heads. So long as he runs the finance department, British Columbia isn't going to try any new economic stunts. He is known as Western Canada's foremost champion of orthodox financing, and likes the title.

Kirkland Basin Offers Rights to Shareholders

To defray cost of an exploration programme, including drilling at the property of Kirkland Basin Gold Mines, the company is offering rights to shareholders to covering 200,000 treasury shares at 10 cents per share. Shareholders of record at 5 p.m., July 17, will be entitled to subscribe for additional shares on the basis of 5 shares for each 13 held.

These rights are not assignable, and expire 5 p.m. July 22.

In Sound Position

MUNICIPAL HONOR ROLL
TOWN OF RENFREW, ONT.

Renfrew, an industrial centre in Eastern Ontario in the rich agricultural valley of the Upper Ottawa River, at a time when municipal finances generally are none too bright, finds itself, as a result of good management, in a sound financial position.

During the depression the town has financed its relief costs out of current revenue and has consistently reduced its debenture and floating indebtedness. In 1935, in fact, there was a surplus of $4,000 of current revenue over current expenditures after meeting all charges including relief costs.

Debenture debt, after deduction of sinking fund, has been reduced by $200,000 during the past 4 years, amounting to $757,860 at Dec. 31, 1935. Sinking fund amounts to only $10,532 since most of the funded debt consists of serial debentures. Capital assets are carried at the amount of their debenture liability.

Of a gross debenture debt of $768,392, only $464,116 is a charge upon the town's tax rate. The remaining $304,276 was issued for public utilities which are self-supporting.

Bank Loans Reduced

Bank loans have been reduced from $71,500 in 1933 to $13,600 at the end of 1935, a new low in many years. By the end of 1936 it is hoped that this item will be entirely eliminated.

The town's excellent showing in debt reduction has been accomplished despite the piling up of tax arrears, which at the end of 1935 amounted to $150,102 or 80% of the 1935 levy. However, a reserve of $101,748 has been set up against uncollectible taxes. Recently Fred A. Wade, chairman of the finance committee of the town council, advocated the appointment of a tax collector in order to improve collections.

An unfavorable feature of the town's policy has been the failure to set up depreciation reserves for the power and light plants and the electric distribution system. It is likely that in the future the town will have to issue debentures in order to rehabilitate the plant and lines of this utility. At the present time profits from the utility after operating and debenture charges are transferred to general account.

Population: Present, 5,296; 5 years ago, 5,000. Area, 2,416 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Revenue (Town Dept.)	$ 229,926
Expenditure	225,906
Assessed value for taxation	3,516,000

Tax rate, 1935: General, 5.45; county, 13; debentures, 19; schools, 12.55; total, 50 mills. 1936 rate, 49 mills.

Total tax arrears, $150,102; last year's levy, $186,849; amount of 1935 levy uncollected, $43,608; reserve against uncollectible taxes, $101,748.

Assets and Liabilities

Value of assets	$926,026
Debenture debt	768,392
Sinking fund	10,532
Bank loans	13,600

Debenture Debt

Town department	464,116
Waterworks	56,564
Power and Light	247,712
	768,392

Public Utilities

	Gross Earnings	*Net Profit
Waterworks	$25,928	$ 5,000
Power and Light	61,709	13,000

* Transferred to general account; after operating charges and debenture interest and principal.

Keenleyside Says Oil Duties Unfair

Claims Saskatchewan Independents Do Not Import Spiked Crudes

C. B. Keenleyside of Hi-Way Refineries Ltd., Regina, Sask., has written an open letter to the Hon. C. A. Dunning, finance minister, in answer to the latter's alleged statement that many small oil companies in the West were a "racket."

Mr. Keenleyside denies the small refineries in Saskatchewan imported "spiked" or "processed" crudes and defrauded the customs. They had never ordered anything but crude oil in the natural state, and they believed that the buyers got what they had ordered. He claims that it is almost impossible to tell the difference between "natural" and "processed" crudes.

No Depreciation Reserve

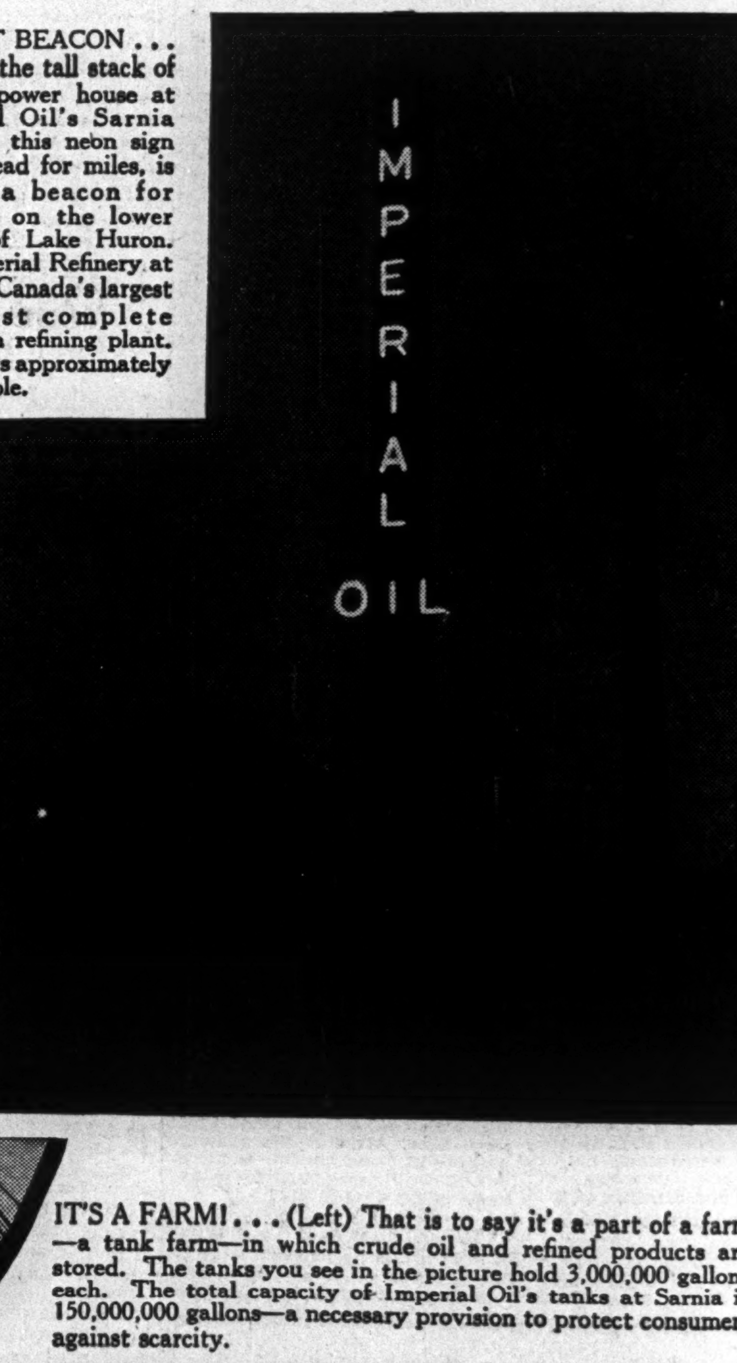
Mr. Keenleyside's letter alleges discrimination against the small refining companies in 1932 in the matter of freight rates. This was changed in 1934 by order of the Dominion Railway Board, but he claims that the new duty schedules will have much the same effect. The crudes used by the larger companies come in free while the types of crude desired for the small skimming plants were exactly those subject to duty.

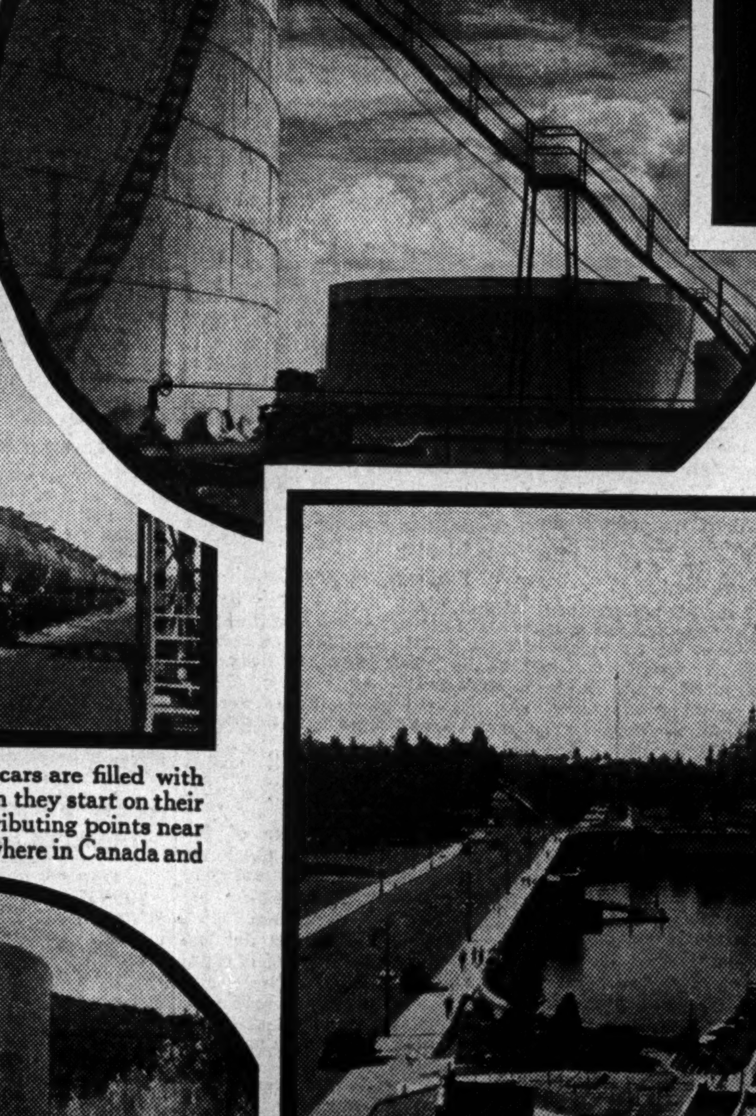
Mr. Keenleyside claims that the selling of 10 small refineries to a concern called Petroleum Securities was a legitimate thing to ensure a supply of high gravity crude oil. That would have been an expensive operation for the small companies to carry on alone.

Hon. Mr. Dunning has told the tariff board to continue watching the situation during the current year so as to inform him the exact results of the new regulations before he makes his next budget address.

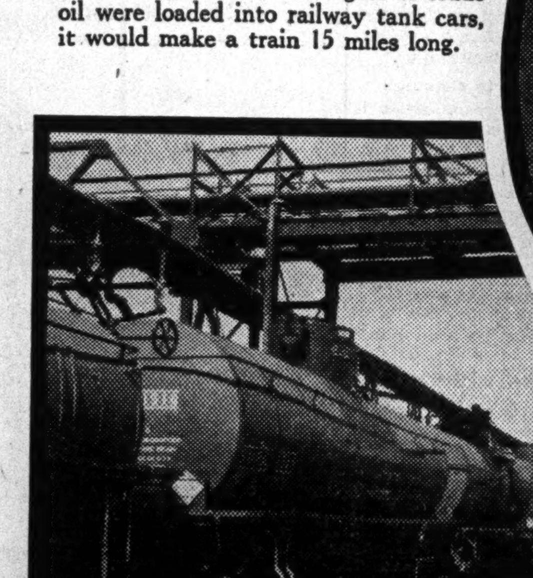
OIL ON SMOOTH WATERS . . . . (Above) The world's largest tankship passing through the Panama Canal. She is owned by Imperial Oil interests and the best way to tell you how big she is is to say if one of her cargoes of crude oil were loaded into railway tank cars, it would make a train 15 miles long.

BRIGHT BEACON . . . Topping the tall stack of the big power house at Imperial Oil's Sarnia Refinery, this neon sign can be read for miles, is in fact a beacon for shipping on the lower reaches of Lake Huron. The Imperial Refinery at Sarnia is Canada's largest and most complete petroleum refining plant. It employs approximately 1500 people.



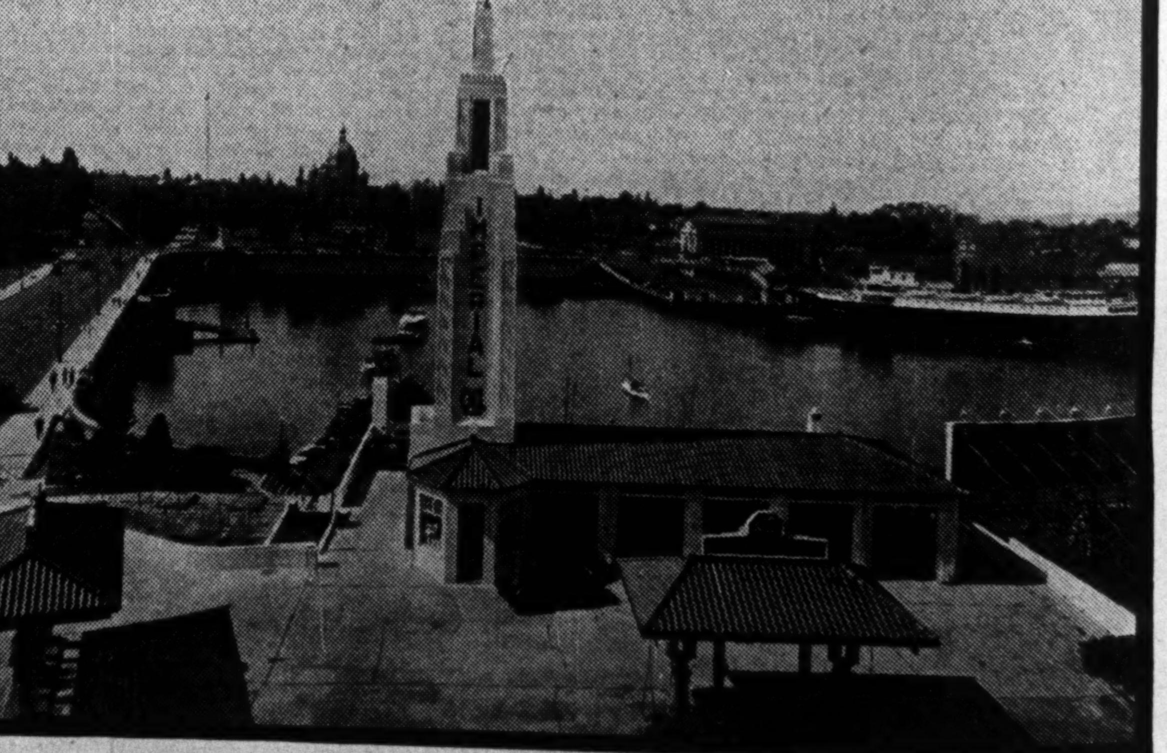


IT'S A FARM! . . . (Left) That is to say it's a part of a farm—a tank farm—in which crude oil and refined products are stored. The tanks you see in the picture hold 3,000,000 gallons each. The total capacity of Imperial Oil's tanks at Sarnia is 150,000,000 gallons—a necessary provision to protect consumers against scarcity.



THE LOADING RACK . . . Railway tank cars are filled with petroleum products from overhead pipes. Then they start on their journey from the Imperial Oil refinery to distributing points near and far. Imperial Oil Products are sold everywhere in Canada and are of consistent high quality.

THE FIRST SERVICE STATION . . . Canada's first gasoline service station—and perhaps the first in the world—was opened in Vancouver by Imperial Oil Limited in 1908.



VICTORIA THE BEAUTIFUL . . . The harbour at British Columbia's capital. In the background are the Parliament Buildings and in the foreground the marine and motor service station of Imperial Oil Limited. Atop the tower is a revolving aerial beacon. This year, more than ever, the Pacific Coast beckons to the tourist because Vancouver, British Columbia's greatest city, is celebrating its Fiftieth Anniversary.

THE FINANCIAL POST

SECOND SECTION

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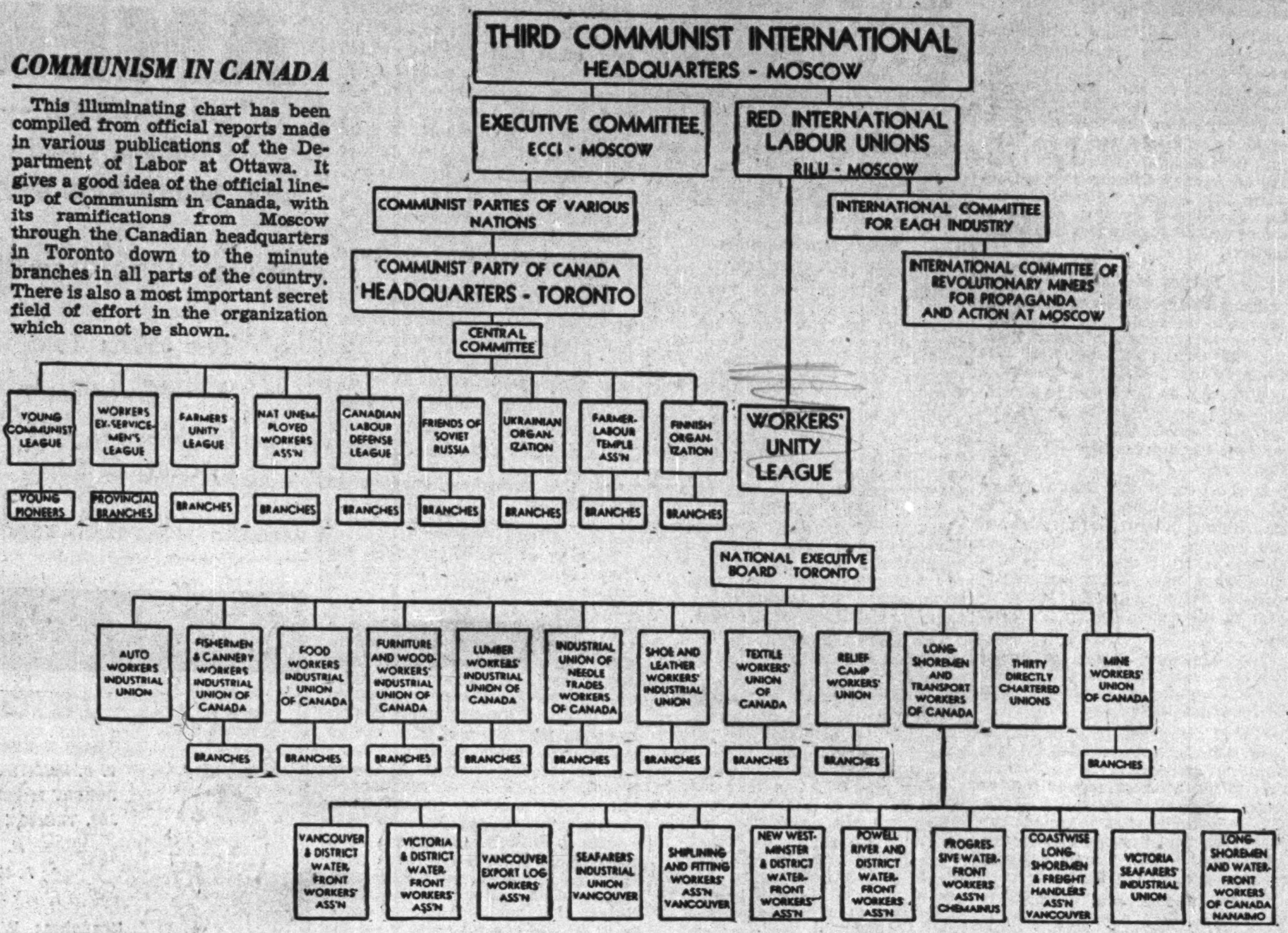
Unemployed Are "Suckers" for Agitators

Authorities Convinced Relief Recipients Led Into Starting Disturbances Then Left To Fend for Selves — Outbreaks Flare in Ontario — Score Held as Kidnappers

COMMUNISM IN CANADA

This illuminating chart has been compiled from official reports made in various publications of the Department of Labor at Ottawa. It gives a good idea of the official line-up of Communism in Canada, with its ramifications from Moscow through the Canadian headquarters in Toronto down to the minute branches in all parts of the country. There is also a most important secret field of effort in the organization which cannot be shown.


THIRD COMMUNIST INTERNATIONAL HEADQUARTERS - MOSCOW
EXECUTIVE COMMITTEE ECCI - MOSCOW
RED INTERNATIONAL LABOUR UNIONS RILU - MOSCOW
COMMUNIST PARTIES OF VARIOUS NATIONS
INTERNATIONAL COMMITTEE FOR EACH INDUSTRY
COMMUNIST PARTY OF CANADA HEADQUARTERS - TORONTO
INTERNATIONAL COMMITTEE OF REVOLUTIONARY MINERS' FOR PROPAGANDA AND ACTION AT MOSCOW
CENTRAL COMMITTEE
YOUNG COMMUNIST LEAGUE
WORKERS EX-SERVICE-MEN'S LEAGUE
FARMERS UNITY LEAGUE
NAT UNEMPLOYED WORKERS ASS'N
CANADIAN LABOUR DEFENSE LEAGUE
FRIENDS OF SOVIET RUSSIA
UKRAINIAN ORGANIZATION
FARMER-LABOUR TEMPLE ASS'N
FINNISH ORGANIZATION
WORKERS' UNITY LEAGUE
YOUNG PIONEERS
PROVINCIAL BRANCHES
BRANCHES
NATIONAL EXECUTIVE BOARD TORONTO
AUTO WORKERS INDUSTRIAL UNION
FISHERMEN & CANNERY WORKERS INDUSTRIAL UNION OF CANADA
FOOD WORKERS INDUSTRIAL UNION OF CANADA
FURNITURE AND WOOD-WORKERS' INDUSTRIAL UNION OF CANADA
LUMBER WORKERS' INDUSTRIAL UNION OF CANADA
INDUSTRIAL UNION OF NEEDLE TRADES WORKERS OF CANADA
SHOE AND LEATHER WORKERS' INDUSTRIAL UNION
TEXTILE WORKERS' UNION OF CANADA
RELIEF CAMP WORKERS' UNION
LONGSHOREMEN AND TRANSPORT WORKERS OF CANADA
THIRTY DIRECTLY CHARTERED UNIONS
MINE WORKERS' UNION OF CANADA
VANCOUVER & DISTRICT WATER FRONT WORKERS' ASS'N
VICTORIA & DISTRICT WATER FRONT WORKERS' ASS'N
VANCOUVER EXPORT LOG WORKERS' ASS'N
SEAFARERS' INDUSTRIAL UNION VANCOUVER
SHIPLINING AND FITTING WORKERS' ASS'N VANCOUVER
NEW WESTMINSTER & DISTRICT WATER-FRONT WORKERS' ASS'N
POWELL RIVER AND DISTRICT WATER-FRONT WORKERS' ASS'N
PROGRESSIVE WATER-FRONT WORKERS' ASS'N CHEMAINUS
COASTWISE LONGSHOREMEN & FREIGHT HANDLERS' ASS'N VANCOUVER
VICTORIA SEAFARERS' INDUSTRIAL UNION
LONGSHOREMEN AND WATER-FRONT WORKERS OF CANADA NANAIMO

By WELLINGTON JEFFERS

After several months of comparative quietness in Canada, mob agitators have again raised their heads. This time they have chosen areas near Toronto in which to strike. They have varied their tactics somewhat in the most recent series of outbreaks, using relief recipients as "fronts" for their attacks, storming municipal offices and holding officials virtual prisoners until "demands" have been met.

In ordering arrests of a score of the disturbers after a week of trouble, Premier Mitchell F. Hepburn and Hon. David Croll, Minister of Public Welfare, are proceeding against them in police courts on charges of attempting kidnapping of municipal authorities, very different grounds to those on which 8 Communists were sent to the penitentiary in 1931, when they were convicted of being members of an unlawful organization. The charges against these men read in part that they "did without lawful authority force, seize and confine."

"This is not red baiting nor Communist hunting," declared Hon. David Croll in answer to questions by The Financial Post. "We are proceeding against these men because we believe they committed criminal offenses. It is one of the most serious offenses against the code to kidnap. What would you call it when men imprisoned the reeve of Etobicoke and the relief officer in a basement for 18 hours and released them only after they acceded to the demands of the rioters? The courts must decide how far the last act differs from that of a hold-up man. The men participating will get the same fair trial any other group of men would get on a similar charge and the law will have to take its course."

"Are they Communists?" he was asked.

"We regard a great many of the people partaking in various disturbances turning on relief in recent years as dupes of Communist agitators. The latter are generally too clever to be caught themselves. They do the agitating but let the local leaders 'take the rap.'

"We know that the leading Communists are behind it and probably they cannot be touched because they did not do and do not do the illegal thing themselves. They are what the French call 'agents provocateurs.'

"If they continue to be successful in their propaganda, suckers all over Canada will go to jail for doing things against the law and probably the only satisfaction they will get out of it will be that their Communist friends will claim in many cases they are martyrs. It will save a lot of trouble to political susceptibles if they take warning by what is happening here. The government cannot intervene even if the rioters are suckers. If a man claims he was misled by others to commit a crime it is no excuse before the law.

How Communists Dodge Jail

"As head of the Department of Public Welfare I got full information regarding the meeting of the Communist Party of Canada where it was decided to utilize the growing unrest among unemployed at relief workers' centres and particularly to concentrate on those municipalities under the supervision of my department.

"They relayed to every party unit in Ontario the following decisions:

"'1st, that the Ontario Unemployed Federation be strengthened with every available Communist with platform experience and "to find best method of stirring unemployed to action in demanding last year's scale of relief."

"'2nd, where there is a Communist party representative, the Federation representative will meet them in secret session, survey ground thoroughly and formulate plan of action.

"'3rd, the Federation representative is to remain inconspicuous, local C. P. members to assume leadership and to involve local unemployed in whatever action is contemplated, forcing a few of them into the leadership.

"'4th, in the Toronto suburban areas local Communist leaders will remain in charge, while active Communists of proved ability are to hold themselves in readiness to go to any part of the province at all times.'

"Get Local Clergymen"

"It was also decided to use the local men to try to get local clergymen to address meetings and to get the use of church basements for meetings whenever possible. The Communist party representatives could speak at mass meetings 'but must not appear on delegations or take active public part in any action which the unemployed may take.' I hope that a whole lot of people will wake up to the fact that they are being used as dupes and that the real fomenter steps out from the line of trouble and is far away when the police are obliged to step in because of disorder or violence or the more criminal activity that sometimes results when men's passions have been stirred up to mob pitch.

Plan Riots

"The plan of Communist campaign was to take the municipalities in rotation. They would advise the local unemployed to force through more demands. Then they anticipated we would turn down these demands because they were too high. They were then to call large mass meetings and ask for permission to hold them in Queen's Park. If they got permission they would hold the meetings and try to stir up the crowds to mob violence. If they did not get permission they were going to hold the meetings anyway with still greater prospects of causing a riot.

"To provoke a riot was their main aim and then it was to be every man for himself. Damage of some sort had to be done so as to bring the whole matter to a head. The leaders were to keep out of the way and local unemployed were to be allowed to have all the prominence and also get whatever justice the law afterwards meted out."

Who Pays?

"Do you know who puts the 'mun' in Communism, Mr. Croll?" he was asked.

"No, I don't. Apparently the most active Communists have all the money they need. They do not seem to lack immense trucks when they need them. But we are not attacking them as Communists. So long as they are peaceable and law-abiding they can preach their doctrine all they like. But no government could overlook the breaking of the statute which provides heavy penalties for unlawfully detaining any person, particularly the head of a municipality, against his will. They are attacking there the chief bulwark of the liberty of the individual."

What Their Rights Are

Communists and Communist organizations have now in Canada the same legal rights as Socialists, Conservatives, Liberals, C.C.F., Reconstructionists and their parties since the repeal of Section 98 of the Criminal Code on June 22 last. And they will get the same punishments exactly if they kidnap, detain, illegally seize, and stir up violence. That is the case with regard to Communists and Communist activities in a nutshell.

Communists have boasted that, in spite of their various organizations in Canada being illegal since 1930, they have doubled their membership, caused and led 90% of the strikes, been active fomenters of dissatisfaction of unemployed with relief disbursements wherever that dissatisfaction has shown itself, organized hunger marches on capitals and in every way tried to make people at odds with the capitalist order. They have rallied many liberal-minded people to the rescue whenever the police did their duty in enforcing Regulation 98, people who constitutionally and by principle object to any curtailment of the right of free speech, or of organization for any political or social or economic purpose that might have a good intention no matter how mistaken. In fact they rallied to their support many non-Communists who believed in the point of view expressed in Voltaire's famous remark, "Sir, I disagree with your ideas profoundly but I will fight to the death for your right to express them."

No Longer "Prosecuted"

Communists can now state their views freely as to what the form of government should be in Canada but like other citizens, are subject to imprisonment if they break the law. Sedition is still unlawful and though Section 98 has gone, the Criminal Code has been amended to say that "everyone shall be presumed to have seditious intention who publishes, or circulates any writing, printing or document in which it is advocated, or who teaches or advocates the use, without the authority of law, of force, as a means of accomplishing any governmental change." The 32 Communist publications in Canada and all distributors should take that clause into serious consideration.

The Financial Post asked heads of parties, heads of police organizations, leading labor men and well-known Socialists and some prominent people who have always shown themselves sympathetic to labor's claims for their opinion about recent action by the Ontario government authorities. They all said that the right action has been taken.

Applies to All Canada

The Financial Post called at the headquarters of the Mounted Police in Ottawa in quest of information as to just how that famous body operates in cases of disorder of a similar kind. Major-General MacBrien was in the West on departmental business, but Colonel Spaulding, deputy commissioner, indicated that as a police body the Royal Canadian Mounted Police has a duty to see that the laws of the land are obeyed whatever they happen to be. If a Communist body is made unlawful then the police have to proceed against the members of an unlawful body.

"We do not make the laws and we are not court or jury. We do only what the law requires in the way of ensuring peace and order in every matter that is under our jurisdiction. We do under agreement with the provinces of Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Prince Edward Island for the enforcement of their provincial laws just what the provincial police of Ontario, Quebec and British Columbia are expected to do for their provincial laws. If we had been acting under agreement with the province of Ontario we would have acted just as the provincial police are doing. Everybody, whether Communist or Capitalist must be required to obey the law or take the consequences laid down by the law. It is not for us to discuss the advisability of any law or enter into politics in any way. We are the arm of the law but not the law itself."

The Royal Canadian Mounted Police has Dominion-wide experience with Communists and their activities ever since radical organizations became really active back in 1918. It studied their methods at first hand at the 1919 community strike in Winnipeg and in various disorders at Regina, Calgary, Edmonton, Estevan and elsewhere.

Know Leading Communists

It is probably safe to say that the R. C. M. P. have a more complete knowledge of what has been done by Communists as agents provocateurs than any other body in Canada. As to what they know or what means they take to keep acquainted with what is going on in Communist inner circles the officials are silent. As the Ontario government seems to be fully informed as to the Communist activities in Ontario and to know man by man those chiefly responsible even if they have kept within the law it is altogether likely that for Canada at large the R. C. M. P. are depositories of similar information. They do not keep track of them only because they have certain political beliefs but because it is necessary in order to foresee and forestall, if possible, the next outbreaks fomented by their influence.

Artful Dodgers

The Financial Post has talked with various officers who had experience at Regina, Winnipeg, Vancouver and elsewhere when riots were in progress. All claim that police action was made necessary because of weapons in the hands of rioters and actual acts of violence and would have been necessary whether Communists or any other body were the inciting cause. They all agreed with ministers of the Hepburn administration in Ontario that Communists had been the main fomenters and that the chief men were always far away when the real trouble broke, leaving local men or others who had allowed themselves to be jockeyed into public attention as leaders to bear the brunt.

The weapons spoken of were not machine guns or anything deadly of that nature. They were primitive weapons as a rule, clubs, blackjacks. There were enough of them to show that peaceful intentions were absent from the core of the trouble. The agitators did not expect success and wanted trouble only as another step toward Communism.

Look to Moscow

The accompanying diagram, showing how the Third (Communist) International reaches from its headquarters in Moscow to all parts of the Dominion, has been drawn from official sources such as reports of Department of Labor and various investigations made as aftermaths of disturbances here and there in Canada. It is necessarily incomplete and some of the organizations shown may have already changed their names since the information was published from which the various names on the chart are derived. The changing of names of Communist organizations in Canada has been a favorite move.

The former Workers' Party had its name changed to the Communist Party of Canada with headquarters in Toronto and it definitely looks to Moscow for its inspiration. The Young Communist League, also drawing its pap from the Young Communist International at Moscow, is formed to spread the tenets of Communism among the young men and women of Canada. The "Young Pioneers" does the same work of proselytism among young children, doing for Communism what the boy scouts, girl guides, cadets, Y.M.C.A. and church organizations do in inspiring loyalty to the King, to Canada and the Empire.

Years ago the Communist "brain trust" developed a plan to capture Canada for Communism. It envisaged having a club for every possible block and every possible industry in the larger cities. To that end it was hoped to get a nucleus of at least one Communist in each block and company. They were going to construct everything from the ground up and have no truck with existing organizations.

"Boring From Within"

That policy definitely proved a failure. They got nowhere with it. The policy was soon changed. Now Communists are urged to join all the workers' organizations and any other influential body they can. They are told to run for all elected bodies, to become aldermen, trustees of school boards, and to become members if they can either at Ottawa or in provincial capitals. They are told to run and keep on running no matter how often they are defeated. It gives Moscow a chance of judging the strength Canadian Communists are getting. They have succeeded in boring their way into some labor unions and once within continue the "boring from within."

They are having one great success which does not show in numbers of adherents. The efforts of the Trade Union Educational League, which represents on this continent the Red International of Labor Unions, so far have been mainly directed to advocating the One Big Union idea for industries instead of the craft plan of organization so far followed by the principal labor organizations in Canada and the United States. They advocate one union for each industry.

Want One Big Union

Communists no longer jeer at the organized bodies like American Federation of Labor and the Canadian Trades and Labor Congress. They jeer at the leaders as "reactionary" and woo the adherents of the great unions with talk of craft organization being antiquated and by promising that immediate results could be obtained by industrial unionism. John Lewis, president of the United Mine Workers of America, would probably deny that his advocacy of one big union in his industry has anything to do with Communist teaching. But it is what the Communists want and it explains why William Green, president of American Federation of Labor, is fighting the plan tooth and nail. It may mean the expulsion from A.F. of L. of John Lewis and his organization and a dozen other great industries who have taken the same gospel to heart. That would mean a split in organized labor, directly desired by Communists.

The Communist leaders now recognize that their natural and most important avenue to an appeal to workers is through the trade unions. Communists are instructed to join unions wherever they can and to act unitedly on every question that comes up. Especially are Communists required to take part in every strike, in every economic dispute on relief or any other question.

Fosters All Strikes

The Worker, now replaced by the Clarion, in its issue of July 25, 1935, reported the Canadian delegate to the Third International at Moscow as saying:

"From a narrow sect, the party in Canada has developed since 1930 into the leadership of 90% of all strikes. The strike movement last year by government figures involved 585,000 workers, 5 times the number in 1930.

"The Canadian party has led and stimulated great hunger marches and local actions of the unemployed, including the seizure of trains. The party and the young Communist League are engaged in a struggle for the united front, for the rights of youth, for action against the militarized relief camps, the latter having had great political repercussions."

31,151 Canadians Vote Red

Delegate George, the Canadian representative, claimed the party was a "virtually legal party." In the next Parliament at Ottawa the much discussed regulation Section 98 was abolished. The Communist delegate evidently expected some such action as the result of the release of Communist leaders from prison but his local comrades at home were not so sure because they would not say who Delegate George really was for fear he would be arrested on his return. Possibly he would be willing to acknowledge his identity now but it is still a jail offence to seize trains or any property by force or to do many of the things which he hints Communists caused.

Delegate George himself claimed at Moscow last year that the party had 10,000 members in Canada, double the number in 1930. This hardly seems enough to justify his boast at Moscow that they led 90% of all strikes but it does show what the Communist ideology considers admirable and something as to their objectives. The Young Communist League has 2,500 members, says Delegate George, and there are 32 Communist periodicals published in Canada.

The only other test of Communist strength in Canada at the last Federal election does not show them as a real political factor as yet. There were 13 Communist candidates and none was elected, most of the candidates losing their deposits. But they got 31,151 votes, indicating an average of 2,400 Communists in each of these 13 constituencies. Back in the 1930 election 6 Communist candidates got 5,685 votes, or 947 votes on the average per constituency. The events of the depression have therefore allowed Communist influence to widen and deepen in an electoral sense. That occurred while their organization was illegal.

Not Above the Law

Communist organizations can now exist openly and men can be members so long as they do nothing unlawful. They can still go to jail if they want to by kidnapping relief officers or reeves or mayors or by resisting the police, by seizing any conveyance, by taking over and exercising any governmental function as strikers did in Winnipeg in 1919.

When all workers in that 1919 strike were called out in a general community strike they objected when they found out that the moving picture theatres were closed. They had nowhere to go to make use of their spare time and so theatres were allowed to operate with signs saying, "Allowed to operate by permission of the Strike Committee." Similar signs appeared on the bread and milk wagons and on other necessary services. That was illegal taking over of the functions of the local authority, was illegal then and will be illegal today or tomorrow if attempted by Communists or any other body. That was why the police moved in.

Since Section 98 has been eliminated Communists can no longer pose as martyrs if they are arrested or thrown in prison. They are protected by the law as long as they are law-abiding but will get into immediate trouble if they act as though they were "above the law." If they were allowed to continue those activities they would be allowed privileges greater than any other citizen.

Communist Decentralization

Moscow has decided recently on a policy of leaving decisions on tactics and even on strategy to the Communists on the ground.

Views of Organized Labor

How does the official labor organization, Trades and Labor Congress of Canada look on all this? That organization has done all the spade work for labor for 50 years and it has been made the objective of reds who hope soon or late to influence its decisions materially. So far their repeated attempts have been a record of failure. In Ottawa the other day a representative of The Financial Post asked P. M. Draper, president, to give an official statement of the attitude of organized labor.

"The Trades and Labor Congress of Canada has always been opposed to mob rule and violence in any movement for the welfare of the workers of the Dominion," he replied.

"In more than half a century's existence our methods have resulted favorably for the workers. Their wages, hours and conditions generally have improved materially decade by decade and in every country where our methods have been used—notably in British Empire countries and in the United States—the worker is in a better position than elsewhere. The facts speak for themselves."

But Communists are creeping back into the unions and as many are glib speakers, they are appearing again in growing numbers as elected delegates from various unions. It may be therefore only a question of time until the new representatives clamor once more at headquarters for more radical policies, for industrial strife, for making demands with ultimatums instead of depending on collective bargaining and compromise with employers and using the strike weapon only as a last resort, which is the present policy of organized labor.

These Outbreaks Led To Action by Police

Recent instances which led the Ontario Government to take decisive action are as follows:

July 6—24 women barricaded themselves in council chamber and held councillors captive at Willowdale until extra relief vouchers were authorized.

July 6—Mob of hundreds stormed York township relief department and imprisoned staff. Demanded attendance of reeve and councillors, holding those captive who attended for some hours until demands were granted. Hand to hand fights with police force which was too small to cope with them.

July 8—Mob stormed school at Alderwood, north of Long Branch, Ontario, and imprisoned reeve of Etobicoke and relief officer while vouchers were distributed. Both were subjected to indignities and only released after 18 hours when captives signed agreement to accede to demands of rioters. Reeve needed medical attention.

July 9—Ten men were arrested under charges of illegal detention in the kidnap section of the Criminal Code. Premier Hepburn said all attempts to install mob rule in Ontario would be ruthlessly suppressed and every illegal action by rioters punished.

July 10—Threats of serious consequences made at Kitchener, Ont., if relief allowances dropped 7½% as proposed.

Accompanying article shows that similar demonstrations were planned for every part of Canada where an issue could be raised.

Insurance Angle To Relief Tangle

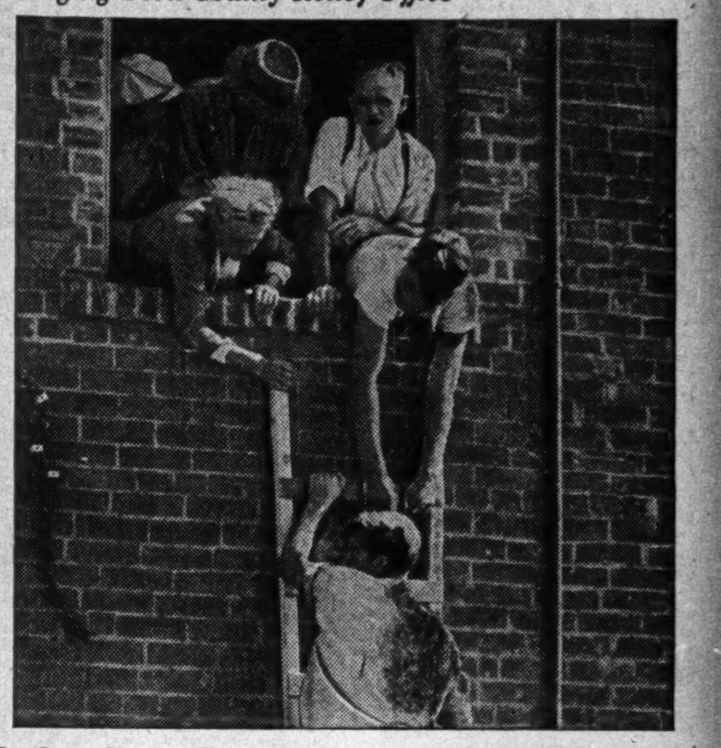
Recent developments in respect to relief administration have suggested to at least one prominent insurance agency that the field for riot and civil commotion insurance in Canadian municipalities should be substantially enlarged.

This firm, in a letter addressed to the City of Windsor, states in part: "Apparently, the federal and provincial governments have in mind cutting off relief. We have seen the result of this at North Bay, Toronto Township and other centres, and if the governments and municipalities go ahead with this programme of cutting off the relief, or reducing it, the people who are out of employment are organized to give trouble and they are almost sure to do it."

Riot and commotion insurance is carried by only the larger centres, insurance men state. One official who is in close touch with municipal insurance claims that probably no municipality with less than 30,000 population has coverage.

The Start . . . . .

Besieging York County Relief Office



Strikers Secure Food

While Women Hold Fort

Another Toronto Outbreak

—Two upper pictures from Toronto Telegram.

Nabbed, He Dodges Spotlight

. . . . . And Finish

Drought Again Revives Talk Of Insurance

Probers Suggest Indemnity When Yield Is Below Average

COMMITTEE BUSY

Drought conditions in western Canada have once more brought to the fore the question of crop insurance. Many are of the opinion that agriculture will not be on a practical basis until measures have been taken to ensure that the farmer will receive an adequate return for his outlay.

Just what form the insurance would take, whether it would cover the crop itself or the price, or both, has been the focus of considerable argument.

In Saskatchewan, the government committee, which is investigating the need for some form of crop insurance has come to the conclusion that it was only natural that the question should arise whether some method could be devised to enable a farmer to set aside a portion of revenue derived during years of good crops to provide for emergencies when yields or prices were not so favorable.

Costly to Government

The committee also regards the steady drain upon governmental treasuries during the last few years to assist farmers and their families as another reason for trying to find a solution. It is, therefore, not too much, the committee states, to say that the problem of crop insurance merits careful attention of all those interested in a stable agriculture.

Dr. E. S. Hopkins, Dominion field husbandman, has presented suggestions as a basis for further investigation. One of these is that insurance be confined to grain crops on summerfallow as the use of summerfallow in storing moisture and destroying weeds is a good type of insurance in itself.

To induce the farmer to make every effort to harvest his crop and assume a share of the risk, the basis for adjustment, Dr. Hopkins believes, should be about 75% of market value. The figure would have to be adjusted to market trends.

Crop Indemnity

Dr. Hopkins also is of the opinion that when the yield of wheat on summerfallow falls below 10 bushels per acre, an indemnity would be paid on the basis of say 50 cents for each bushel below 10 bushels. Thus, if the yield were 4 bushels the insured would receive 50 cents a bushel for 6 bushels, or $3, and, in addition, would receive whatever the 4-bushel crop would bring him. The indemnity would probably be somewhat below the market price of wheat, as otherwise it would encourage "non-production."

Dr. Hopkins favors a voluntary scheme with insurance written for a period of from 3 to 5 years as the longer term would prevent farmers from taking advantage of a wet fall with the probability of a good crop the next year by declining to take out insurance. Rates would be established on the basis of past crop yields and the more frequent the instance of yields below 10 bushels, the higher the rate. Also a surcharge would have to be levied on farmers having lower yields than the average in a particular district, according to Dr. Hopkins' suggestions.

Blanket Coverage

Another suggestion which has received some consideration is to insure on the basis of a blanket coverage of $4 per acre as a maximum. This figure was suggested as a result of surveys conducted by Dr. William Allen of the University of Saskatchewan.

Dr. Allen's survey showed the minimum living and farm expenses in cash on an average section farm amounted to $4 an acre under cereals. It was suggested the coverage might be less in poorer districts in order to keep costs within reach of the farmer of those areas. It was also recognized that such a plan might have to be confined to wheat in certain areas since the returns from coarse grains would not make it possible to finance the plan except possibly on a lower basis of coverage.

Chain Grocery Store Offers Unique Life Insurance Plan

A unique pioneer experiment in life insurance and merchandising is being undertaken in a small way at Toronto through a "Buy and Benefit" plan announced last month by Miracle Marketerias.

For every $100 of merchandise purchased at the company's stores, the customer receives a life insurance policy for the same amount without extra cost, the protection running for one year from the date of the policy. Provision is made for the policy to continue from year to year providing the customer buys a sufficient amount of goods to warrant it.

Rules Are Simple

Policies are issued in units of $100 to $1,000 to any member of a family designated in the application, the age limit being from 10 to 44. There is no medical examination required.

According to Canadian Grocer, the customer merely registers his or her name in the company's insurance department file. The sales slips have to be recorded and, as these total $100, the person designated becomes qualified for an insurance policy of an equivalent amount, provided the insurance company considers him or her an acceptable insurance risk.

Termed in the company's literature as "the most stupendous co-operative benefit plan yet inaugurated in the food merchandising field" the aim from the company's point of view is, of course, to get as many customers to purchase as much of their requirements from Miracle Marketerias as possible.

Although the plan is understood to have been introduced on a small scale at one or 2 points in the United States this is the first time such a scheme has been introduced into Canada.

Continental Life Plan

Continental Life Insurance Co., of Toronto, is handling the insurance features of the plan. Officials view it merely as an experiment which they plan to carry on quietly in a restricted area before attempting a wider applicaton. It is understood the company feels possibly 2 years may be necessary before the scheme develops sufficient experience to warrant its expansion into other fields or for other companies.

The plan is a modification of a group insurance plan and is carried on by small one-year term policies which can be issued at low cost because of the limitation of age groups. It has been in force about one month.

Life Insurance Shareholders

Continental Life

Stock of the Continental Life Insurance Co. is widely held throughout Canada and in several parts of the United States. Residents of every province of the Dominion, with the exception of Prince Edward Island, are included in a list of shareholders with a holding of at least 10 shares.

A list of those owning 10 or more shares at the last date for which official information is available (December 31, 1933) is as follows:

Name Address	No. of shares
Aikins, Dr. H. Wilberforce, Toronto, Ont.	50
Allin, Hiram, Ostrander, Ont.	40
Allison, Mrs. Tannis, Calgary, Alta.	20
Anderson, William J., Stratford, Ont.	10
Andrew, Rev. Jas. Wm. John, St. Thomas, Ont.	14
Andrews, Miss L. Eva, Wolfville, N.S.	25
Arthurs, Dr. J. Robins, Collingwood, Ont.	20
Barker, Miss Margaret, Toronto, Ont.	20
Bean, Mrs. Mary E., Woodstock, Ont.	20
Begg, Herbert, Toronto, Ont.	218
Birss, James, Brampton, Ont.	10
Briscoe, R. A. (In Trust), Galt, Ont.	20
Campbell, A. M., Lacombe, Alta.	20
Carter, Mrs. Ellen Eliz., Port Colborne, Ont.	20
Cannon, Dr. Oscar A., Hamilton, Ont.	10
Cassels, Duncan S. (Trustee), Toronto, Ont.	50
Clark, Mrs. Adelaide L., Calgary, Alta.	50
Coatsworth, Judge Emerson, Toronto, Ont.	79
Coatsworth, Mrs. Helen, Toronto, Ont.	25
Cochrane, John, Ayr, Ont.	15
Cochrane, Miss Margaret, Ayr, Ont.	10
Corbould, Charles Ed. Bernard, Kamloops, B.C.	20
Cram, George, Morden, Man.	10
Dafoe, Mossim, Oakland, Montreal, Que.	10
Denton, Wm. A., Toronto, Ont.	90
Dickey, Mrs. Ida M., Trenton, Ont.	10
Dickson, James D., Utica, N.Y.	10
Dickson, Mrs. Jessie (Estate), Pembroke, Ont.	10
Douglas, D. H, Chatham, Ont.	10
Egbert, Wm., Calgary, Alta.	10
Elliott, William (Estate), Mitchell, Ont.	20
Elliott, William F., Mitchell, Ont.	40
Farber, Mrs. Hannah, Brantford, Ont.	10
Farley, Mrs. Ethel E., Trenton, Ont.	10
Fensom, George H., Toronto, Ont.	200
Ferguson, Hugh (Estate), Moose Jaw, Sask.	25
Floyd, Rev. M. P., Melita, Man.	10
Fowler, Dr. George S., Teeswater, Ont.	20
Frame, Mrs. Abbie Edith Mary, Vancouver, B.C.	40
Fuller, Chas. H., Toronto, Ont.	10
Furniss, Fred. Little, Beaverton, Ont.	25
Furniss, Mary P., Beaverton, Ont.	20
Garneau, Sir George, Quebec, Que.	50
Gibson, Dr. Jas. L., Lyden, Ont.	50
Gilchrist, Dr. W. C., Orillia, Ont.	50
Goodspeed, Rev. Calvin (Estate), Paradise, N.S.	40
Graham, Mrs. Annie Eliz., Galt, Ont.	35
Graham, Mrs. Mabel Clarke, Toronto, Ont.	25
Green, Kate E., Greenwood, Ont.	10
Guest, Enid Tufts, Amherst, N.S.	20
Hall, Miss Frances (Estate), Guelph, Ont.	25
Hall, Miss M. A. (Estate), Guelph, Ont.	25
Hays, Robt. Cockburn, Goderich, Ont.	20
Henwood, Mrs. Grace Caroline, Buffalo, N.Y.	10
Herald, W. J., Sydney, N.S.	32
Hickman, Renforth Rolph, Montreal, Que.	35
Hobbs, Mrs. Katharine S., Forest Hill Village, Ont.	271
Hope, Mrs. Grace J., Edmonton, Alta.	10
Hornby, Mrs. Sara Maud, Ruthilda, Sask.	10
Hunton, Edith E., Sackville, N.B.	10
Jarrott, Jas. Thomas, Ailsa Craig, Ont.	10
Jones, Dr. Allen A., Buffalo, N.Y.	10
Jones, Mrs. Ruth, Toronto, Ont.	85
Jones, Sidney, Toronto, Ont.	570
Jones, Sid. & Walter F. Smith, (In Trust), Toronto, Ont.	2,705
Jull, Bennett (Estate), Toronto, Ont.	10
Jull, Thos. W., Toronto, Ont.	10
Kearns, Mrs. Amelia M., Orangeville, Ont.	25
Kearns, F. C. & G. M. Wedd (In Trust), Toronto, Ont.	25
Kerr, Mrs. Gladys L. M., Chatham, Ont.	10
Lacaille, Mrs. Marg. Ann, Buffalo, N.Y.	13
Lander, Newton J., Toronto, Ont.	65
Lauchland, Wm. Geo., Toronto, Ont.	10
Lunan, Geo., Toronto, Ont.	20
Lunan, Wm., Toronto, Ont.	20
Lyall, Laurie B. (In Trust), Toronto, Ont.	10
Mabee, Miss Miriam, Burlington, Ont.	10
MacEwan, John A., Anerley, Sask.	30
MacKechnie, Dr. Lachlan N. (Estate), Vancouver, B.C.	50
MacLaren, John A., Ottawa, Ont.	50
Matheson, Dr. John S., Brandon, Man.	10
Matheson, R. M., Brandon, Man.	20
Matthews, Mrs. Clara E. T., Memphis, Tenn.	10
Medland, W. A., Toronto, Ont.	50
Meldrum, Mrs. Maude Rebecca (Estate), Norwich, Ont.	10
Menzies, Mrs. Maggie, Ailsa Craig, Ont.	20
Mosely, Annie M. J., Toronto, Ont.	30
Motherwell, Mrs. Nella Alma, New Westminster, B.C.	20
McDermott, Patrick J., Minnedosa, Man.	10
McDonald, Mrs. Eva Nesbitt, Detroit, Mich.	25
McDonald, Mrs. Mary Elizabeth, Port Arthur, Ont.	12
McGill, Flora A., Toronto, Ont.	110
McKenzie, Mrs. Jessie Butter, Toronto, Ont.	25
Nichols, Edward, Mitchell, Ont.	50
North. Trusts Co. (Estate of S. B. Cowan), Winnipeg, Man.	210
Oakes, I. B., Wolfville, N.S.	20
Paterson, Dorothy J., Toronto, Ont.	12
Paterson, Mrs. Fannie, Toronto, Ont.	13
Paterson, Helen H., Toronto, Ont.	12
Paterson, Marjorie B., Toronto, Ont.	13
Paterson, N. L., Toronto, Ont.	110
Patterson, Neil L., Woodville, Ont.	25
Pattison, A. J. Jr. & Co. (In Trust), Toronto, Ont.	90
Playfair, Dr. L. L., Hamilton, Ont.	50
Rawlinson, Dr. Ernest G., Reigate, Surrey, Eng.	39
Rawlinson, Marmaduke, A., Toronto, Ont.	54
Richardson, Mrs. Mary C. T., Toronto, Ont.	200
Robertson, Miss Jeanie, Toronto, Ont.	10
Rogerson, John Alexander, Arthur, Ont.	10
Ross, Hon. W. D., Toronto, Ont.	130
Rosser, Francis E., Toronto, Ont.	75
Rutherford, Dr. S. T., Stratford, Ont.	10
Shunk, Mrs. Mona (Estate), Evansville, Ind.	100
Smith, Dr. Arthur Dalton, Mitchell, Ont.	20
Smith, Mrs. Cosie, Toronto, Ont.	119
Smith, Geo. Henry, Toronto, Ont.	75
Smith, Walter F., Toronto, Ont.	61
Southam, Richard, Toronto, Ont.	160
Steet, Rosa E. (Estate), Stratford, Ont.	80
Stevenson, Dr. Wm. J., London, Ont.	10
Stringer, C. W., Toronto, Ont.	20
Sykes, John, Mitchell, Ont.	25
Teachers' Investment Securities Ltd., Oshawa, Ont.	10
Thompson, Mrs. Jessie, Mount Forest, Ont.	10
Thomson, Mrs. Mary, Orillia, Ont.	10
Tonge, Mrs. Annie E., St. Thomas, Ont.	10
Toronto Gen. Trusts Corp. (J. B. Reid Estate), Toronto, Ont.	50
Trott, Wm. D. (Estate), Port Hope, Ont.	20
Tudhope, Hugh R., Orillia, Ont.	20
Tufts, Harold Freeman, Wolfville, N.S.	20
Tufts, Hilda Alford, Wolfville, N.S.	30
Tufts, Robie Wilfrid, Wolfville, N.S.	20
Turnbull, Eliz. S., St. Marys, Ont.	10
Turnbull, Walter, Hamilton, Ont.	15
Walker, Mrs. Frances P., New Hamburg, Ont.	30
Walker, John A., Chatham, Ont.	10
Warren, Mrs. Marg. Henrietta, Toronto, Ont.	107
Wheelihan, Frank A., Campbellville, Ont.	30
Woods, Geo. B. (Estate), Toronto, Ont.	1,155
Woods, Herbert, Toronto, Ont.	10
Woods, Mrs. Isabel, Toronto, Ont.	230
Young, Mrs. Martha E., Detroit, Mich.	20
Total	9,794

ALLIANCE CONTINUES TO STRENGTHEN RESERVES

EST. 1824

Extracts from the Company's Report for the Year 1935

Premiums	$27,733,355
Interest from Investments	6,955,185
Total Income	$34,688,540
FUNDS OF THE COMPANY	
Paid-up Capital	$ 5,000,000
Life Assurance and Annuity Funds	124,468,297
Fire Insurance Fund	15,706,160
Sinking Fund and Capital Redemption Insurance Funds	11,290,754
Marine Insurance Fund	5,368,620
Accident and Miscellaneous Insurance Funds	6,170,045
Reserve	7,500,000
General Account	3,338,385
Members' Portion of Life Profits Account	408,675
Profit and Loss Account (Subject to Dividend on Share Capital)	6,022,848
	$185,273,784
Reserve for Outstanding Claims and other Liabilities (as per Balance Sheet)	7,773,014
Total Assets	$193,046,798

($5 taken as equivalent to £1 sterling)

ALLIANCE
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
HEAD OFFICE FOR CANADA
BARCLAYS BANK BLDG., MONTREAL
Manager for Canada: E. B. KENYON
FIRE AUTOMOBILE CASUALTY

Electric Defects Cause Six Deaths

Ontario Power Commission Reports Fewer Electrical Fires

The Hydro-Electric Power Commission of Ontario reports 6 electrocutions through contact with wiring or equipment coming under its jurisdiction, during the fiscal year 1935. Only 3 deaths were attributed to these causes in the previous year.

The Commission also reports that while many fires are alleged to have been caused by defective electrical wiring or equipment, proof, in most instances, is found to have been destroyed by the fire. Last year, 14 fires were found to have been due to electrical defects, a sharp reduction from the 23 in 1934.

Twenty-two persons and companies were prosecuted for various infractions of the provincial rules and regulations. Most of these were for installing electric wiring and equipment without permits, or neglecting to remedy defects which constituted a life or fire hazard. In all, 2,714 installations were brought up to a reasonable standard of safety at a cost of $189,680.

Trained Man's Earning Power Shows Up Well

Survey Reveals C. L. U. in Favored Position to Succeed

INCOMES STUDIED

Few topics hold more vital interest these days for life insurance underwriters than the question of remuneration.

Always a focal point in personal and agency discussion the matter has come rapidly to a head in the past few years as economic pressure from the depression (on the one hand) and the good of the business on the other have forced the whole topic into the limelight. The recent meeting of Agency Officers at the Canadian Life Agency Officers Association at Quebec devoted almost its entire proceedings to this and allied matters.

Survey of C. L. U.'s

From New York comes a new approach to the subject, namely a special survey among life agents holding the degree of Chartered Life Underwriter (C.L.U.) to ascertain how these men fared during depression days compared with agents who lack the special training of those who have equipped themselves with this degree.

In short the results obtained show the average earnings of C.L.U.'s in this area to be several times that of the average agent; that they were able to increase their incomes at a time when national income generally was declining and that the turnover in their membership is almost nil.

The summary report presented before a recent meeting of the New York Chapter of Chartered Life Underwriters says:

"C.L.U.'s engaged in selling averaged $6,743 in income in 1935. C.L.U.'s devoting more than 25% of their time to management, supervisory or home office work averaged $8,500. The returns showed earnings by years from 1931 through 1935 for the group who received their designations prior to or in 1933.

"These figures are particularly interesting when measured against the national income during these years. In the figures listed below 1931 is considered as 100%:

	National Income	Salesmen's Group	Supervisory Group
1931	100%	100%	100%
1932	78%	95%	103%
1933	72%	80%	99%
1934	83%	103%	103%
1935	90%	125%	157%

Average Policy $6,000

"Investigation disclosed that the averaged sized policy was about $6,000, which, from a general agency point of view, may be about the ideal. It is probable that the persistency of this business would be high—close to Linton's A rate.

"It is particularly significant that only one C.L.U. among the 110 in the Greater New York area left the life insurance business during this 5-year period. One general agent points out that an agency composed of 30 of these average C.L.U.'s would be an agency with excellent business persistency, low collection costs, little or no financing problem, and the general agent would be faced with the necessity of having to recruit only one man every 2 years. It was estimated that the general agent would earn about $48,000 a year from this agency, granted the usual percentage of brokerage business."

The New York Chapter of C.L.U.'s points out that the high average earnings of C.L.U.'s in supervisory capacities are probably due to the fact that many of the more ambitious young men in management positions, as well as those aspiring to supervisory work, completed their C.L.U. examinations during the early days of the C.L.U. movement, says Eastern Underwriter. No doubt the emphasis which companies have placed upon younger successful personal producers in their appointments contributed to these results. Moreover, it is probable that successful personal producers were among the first attracted to the C.L.U. study. Therefore future questionnaires, it is pointed out, will probably show lower average earnings, but it is believed by the New York Chapter that the same trend of increased earnings will be shown.

Results Count

"Insurance salesmen are judged by sales results," the report of the New York body continues. "It is only natural that manager and salesmen associates of C.L.U.'s expect results in terms of earnings. The figures released by the New York Chapter are to the point. As one C.L.U. expressed it, 'most men are as lazy as they dare be. Men who have a high degree of natural sales aptitude find selling easy enough so that they rationalize that C.L.U. study is not necessary. They fail to realize the higher earnings which would be achieved by a good man becoming better informed.

"The earnings figures are, therefore, the more impressive because the more naturally studious men who were attracted to the C.L.U. study account for these earnings. Probably these incomes are 400% to 500% of the average agent's earnings."

J. A. Dowler Will Head Western Underwriters

J. A. Dowler, of the Canadian Fire Insurance Co. was elected president of the Western Canada Insurance Underwriters Association at the recent annual meeting. N. J. Black of the Commercial Union, was elected vice-president of the fire branch and P. A. Codere, of the St. Paul Fire & Marine, vice-president of the automobile section.

The constitution of the association was amended to provide for increasing the executive and the fire and automobile rating committees by two additional members.

New Licenses

Baltimore American Insurance Co. of New York has been licensed by the federal department of insurance to transact fire, inland transportation and personal property insurance, and in addition falling aircraft, earthquake, tornado, hail, sprinkler leakage, [illegible] or inherent explosion and civil commotion insurance limited to properties insured for fire.

Auto Fleet Standards Key to Accident Problem

Macy's Record Shows What Can Be Accomplished

DRIVER EDUCATION

If standards of the individual automobile owner or driver could be raised to parallel those of fleet operators, the accident problem would be well on the way to solution.

Such is the view expressed by J. E. O'Gara, executive vice-president and general manager of R. H. Macy & Co. of New York. Mr. O'Gara states in a recent issue of "Executives," published by the Metropolitan Life Insurance Co., that through foresight or financial compulsion the intelligent fleet owner today has been forced into self-regulatory practices which have become basic and fundamental—the ABC's of his business.

Safety Fundamentals

What are the fundamentals from which the fleet owner nowadays starts to improve, and to which the individual operator rarely gives a thought because no regulatory body insists upon it? According to Mr. O'Gara, they consist largely in 4 factors.

First is the character of the person who presents himself as a potential driver. The fleet operator requires considerably more than a cursory examination before placing a driver behind the wheel. In many cases, driver material is recruited from junior or helper groups on a promotional basis. During the time of apprenticeship, the assistant demonstrates his qualifications for the responsibilities of a driver.

The second requisite is that a candidate must pass physical standards. He must have 2 arms, 2 legs, no color blindness, good eyesight, and so on.

In the third place, the driver must be trained. Even if he has a record of years of driving for another concern, this may merely mean that he is trained in methods which are not considered correct. As a consequence a period of "untraining" may be required to break him of old habits. If this period takes too long, it is an indication that the firm has erred in its original judgment.

Last, but not least, the helper receives what psychologists love to call his "motivation." He is told by the fleet boss the story of the connection between safe driving and his own personal success on the job.

Mechanical Aspects

Apart entirely from these personal factors, one of the basic principles must be the mechanical aspect of safe driving. Here, too, it is felt the industrial or fleet operator has the advantage. Long ago, the fleet operator started to police himself on equipment. He did so because it was the most economical way to use the equipment, and also because it paid dividends in lives saved injuries avoided and insurance premiums reduced.

The fleet travels on good tires; the blow-out hazard is under a reasonable control. The brakes will stop the car in X feet at Y speed, and the driver knows it. The steering knuckles are found to be present and accounted sound each night through inspection of every unit used during the day; there is no lost control off the road if human foresight can prevent it. Moving parts get a nightly oil check to minimize wear and failure. Finally, the whole unit has its economic life determined, and long before significant failure has a chance, a new, complete fleet unit is in place. Good fleet maintenance is the base upon which the really difficult part of safe driving rests.

Heavy Traffic Toll

Mr. O'Gara terms the history of the Macy fleet of 400 units in accident prevention as "simply a story of mighty hard work guided by little analysis and common sense." Back in 1926 the truck fleet enjoyed a most unenviable reputation among company officials and also with some of its customers for bumping into people on the street. In that year it had 764 automobile accidents; the fleet travelled a bare 3,000 miles for every accident. Putting it another way, there were 10.7 automobile accidents for every 1,000 vehicle days, and the order was passed along that something had to be done about it.

The obvious beginning was to find out just where and why accidents occurred. The company's investigation along this line led to the following figures: 3 major types of accidents accounted for 80% of the total; intersection accidents 22%; running into car ahead 34%; careless backing 24%. The remaining fifth was accounted for as follows: passing too close, 8%; left turn hit in front 4%; hitting immovable objects 8%.

Results Surprising

Thus effort was directed chiefly at the first 3 types of accidents mentioned. The results were amazing. Last year the company's fleet was involved in only 149 accidents instead of 764; travelled 54,054 miles for every accident instead of 3,000; produced 1.8 accidents per thousand vehicle days instead of 10.7; and cut insurance premiums by $40,000 a year.

The entire project was based on the concept that the great majority of men are not constitutionally careless, and that the answer to accident proneness lay almost entirely in training and motivation. As a matter of fact, the 3 major lines—everlastingly good mechanical maintenance of the fleet, selection of the driver through a working knowledge of his characteristics, and his training in "motivation"—were the measures adopted in the campaign.

Driver Education

Training of the drivers took the form of mechanical instruction, highway demonstrations, and a great deal of supervised road practice, designed to eliminate the 3 principal weak spots which led to 80% of all accidents. The driver was taught that an intersection accident was always avoidable—a variation of a familiar "the customer's always right" theme. He was told that he was not to dispute the right of way with a Macy customer, because Macy's — a large corporation — always paid the bill in the end. Then it was pointed out that he was always at fault for piling up on the other fellow's tail board because he failed to anticipate the sudden stop by keeping far enough back; it was further explained that he would not be at fault if someone else piled up on his tail board. And in the third place it was pointed out that it was part of his helper's duties to guide him when backing up.

Mr. O'Gara has the following to say on the working out of the programme; "It took a year of hard work to sell these ideas in a fleet, a year during which these drivers watched and waited, and carried on in their same old careless ways. Then a few began to sense an administration which was firm but fair, interested in them as individuals, in their happiness on the job, in their financial promotions upon good evidence of co-operation. Then, when they sensed a willingness to share, the burden began to shift. They began to do what they could have done perfectly well all the time. The merit of our programme is proved by the results."

Six New Plans For Monarch Life

To celebrate its 30th anniversary, which occurs this month, Monarch Life Assurance Co. has inaugurated a 3-month anniversary campaign and the introduction of 6 new policy plans. Details of the new policy plans are:

The company's former ordinary life policies are being replaced by new ordinary life "Paid-up at 85" and "Preferred Whole Life" plans; a new family protection plan has been released; a western farmer's policy specially designed to meet the needs of the prairie farmer was introduced a few weeks ago as the forerunner of this campaign; a new guaranteed dividend policy is announced and a new multiple income pension bond is being prepared.

A new sales manual has been provided for the company's agents, and a new complete sales course will be made available shortly. A new contract for agents is being prepared and embodies many new features.

Insurance Inklings

Monarch Life reports a 30% gain in new paid for business during June, compared with the same month last year. This is the fourth successive month in which business has exceeded corresponding totals the previous year.

National Life Insurance Co. reports a 17% gain in paid for business in June, compared with the same month last year.

W. H. BURNETT, branch secretary of the Sovereign Life at Toronto, was recently honored on the completion of 25 years service with the company.

V. R. SMITH, general manager of Confederation Life, was recently elected a vice-president of the American Institute of Actuaries at the annual meeting of that body at Minneapolis, Minn.

J. F. WALLER, manager of the Surrey Branch of the Confederation Life offices in England for 12 years, has been placed in charge of the merged South London and Surrey branches of the company.

Canada, United States Price for Stetson's Same

In last week's article on comparative U. S. and Canadian prices, the statement was made that Stetson lightweight hats sell at $1.50 more in Windsor than in Detroit. This was based on information supplied by a correspondent at a border point. The Financial Post is informed that the statement was incorrect as the same price applies on both sides of the border.

Stetson hats are now made in Brockville by John B. Stetson Co. (Canada) Ltd. All models and grades are identical with the world-famous product made in Philadelphia for over 70 years, and sell at the same prices in Canadian cities as they do throughout the entire United States.

Northern Assurance Director

The Northern Assurance Co. has appointed B. W. Bloomer to the London board. Mr. Bloomer is chairman of O-Cedar Consolidated Trust, O-Cedar, Ltd., and a director of a number of other British industrial and financial companies.

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TORONTO

National Surety Co. Closing Canadian Business

From Our Own Correspondent

MONTREAL. — National Surety has discontinued writing insurance business in Canada, but deposit with the Receiver-General will be maintained. The company will continue in existence until termination of present contracts, with operations under control of the Liverpool and London and Globe.

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NORTHWESTERN MUTUAL FIRE ASSOCIATION

Federal Govt. Shows Surplus In 1st Quarter

Budget Position Improves — Revenue Up $17.3 Millions

INCOME TAX UP

Considerable improvement in the financial position of the Dominion government is shown by the official statement of receipts and disbursements for the first 3 months of the current fiscal year, surplus for the period amounting to $16.3 millions compared with $3.9 millions in the first quarter of the preceding fiscal year.

Revenue for the 3 months ended June 30 was $17.3 millions higher than in the same period of 1935. This is offset to some extent by an increase of $4.7 millions in expenditures so that the net improvement in the budget position of the government is $12.4 millions.

Income Tax Receipts Up

Revenue recorded an increase in every department, with the exception of the gold tax which has been eliminated as a source of funds as a result of its repeal. Larger income tax payments account for over 71% of the increase, revenue from this item increasing by $11.6 millions. The increase in the sales tax is reflected in the return for excise taxes, sales, stamps, etc., receipts from this source being $4.7 millions higher than in the same period of last year.

While it is expected that the revenue of the various departments will continue to increase throughout the year, the total increase in the remaining 9 months may not be proportionately as great. The larger part of the income taxes, which to date has been the largest single factor in the increase, has already been collected.

Loans Increase

Active assets, consisting of loans and advances during the 3-month period are sharply higher at $22.1 millions, compared with $11.9 millions in the 3 months ended June 30, 1935. The principal factors in this increase have been loans of $15 millions to the Canadian Wheat Board and advances to the railways on account of equipment. An offsetting factor is the decline in loans to provincial governments under the relief acts. These declined from $11.4 millions to $765,562.

Dominion Revenue and Expenditure
3 Months ended April 30

	1936 $ 000's	1935 $ 000's	Change $ 000's
Revenue:			
Customs duty	20,053	18,579	+1,474
Excise duty	11,215	10,995	+220
Excise taxes	26,407	21,703	+4,704
Income tax	65,977	54,295	+11,682
Gold tax	......	1,383	—1,382
Post office	6,901	6,801	+100
Sundry	4,190	3,783	+407
Special	122	30	+92
Total	134,865	117,569	+17,296
Expenditure:			
Ordinary	89,759	86,844	+2,915
Special	28,197	26,276	+1,921
Capital	450	526	—76
Total	118,406	113,646	+4,760

Month of June

	1936	1935	Change
Revenue:			
Customs duty	7,279	6,048	+1,231
Excise duty	4,004	4,075	—71
Excise taxes	12,080	9,448	+2,632
Income tax	6,462	3,629	+2,833
Gold tax	......	178	—178
Post office	2,201	2,300	—99
Sundry	1,519	1,332	+187
Special	56	25	+31
Total	33,601	27,035	+6,566
Expenditure:			
Ordinary	26,062	23,000	+3,062
Special	19,818	18,579	+1,239
Capital	143	234	—91
Total	46,023	41,813	+4,210

Newsprint Bond & Share Plans to Distribute Assets

From Our Own Correspondent

MONTREAL. — Notice has been given under the Voluntary Winding Up Act of Joint Stock Companies, that Newsprint Bond and Share Co. will be liquidated. W. H. O'Reilly has been appointed liquidator.

Newsprint Bond and Share was formed several years ago by a number of the leading Canadian newsprint manufacturers to acquire control of Bathurst Power and Paper Co. Among the principal shareholders are the International Paper, Price Bros. and Co., Consolidated Paper, Brompton, Abitibi and Minnesota and Ontario.

A few weeks ago the company sold its controlling interest in Bathurst to Nesbitt Thomson and Co. and associates. Consequently steps are now being taken to distribute assets among the shareholders.

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Sees World Upheaval If Nations Continue Self-Sufficiency Idea

Sir George Paish Points Out Errors of Belief Countries Must Live For Themselves

This is the first of a series of 2 articles on world conditions by Sir George Paish, noted British economist and author, who for 50 years has devoted his time to world-wide financial problems. During the early days of the war he was adviser to the Chancellor of the Exchequer and the British Treasury on financial and economical questions. Sir George is not a stranger in Canada, having made visits the first back in 1889. He writes from first hand observation in many countries.

By SIR GEORGE PAISH

SIR GEORGE PAISH

One of Britain's statesmen in a speech stated that he believed Britain had come to a period where it must have regional economy, that is to say, regions must be self-contained and the people in them must live on what they could produce for themselves and sell to themselves.

This idea in my judgment is a complete mistake. It is not possible for any nation, or region, to live to itself. Why is Italy in the distress she is in today? Why did she take action against Abyssinia? Because world income has shrunk in an extraordinary manner since 1929.

I think it is true to say that the world's income today in gold currency is not more than 40% of its income in 1929. There has been an appalling shrinkage and the effect on Italy has been that Italy cannot sell abroad what she needs to sell in order to buy what she needs to buy.

Foreign income has gone down to such an extent that Italy does not know how she is going to maintain her 43 million people in her own country. That is why Italy went to Abyssinia.

Japan, Germany Moves

For a similar reason Japan has gone into Manchuria. Japan has a big population in a small country, and could not see her way to buy food and raw material for her people.

Germany is also getting into real distress. Her income from exports is not more than one half of what it was before the war. She has lost her foreign investments, and is now having to pay a substantial sum abroad for interest on foreign capital.

What is to happen to the millions of Germans who cannot support themselves by exports or by other income obtained from abroad? Moreover, the world is engaged in raising the prices of the things these people need to buy, making the things dearer and at the same time is giving no hope of buying goods from Italy, Germany and Japan in adequate quantity. That is why Sir Samuel Hoare said at Geneva if Britain continues this policy of national self-sufficiency, there will be danger of war.

I ought to say that serious trouble is as likely to come internally as it is externally. Nations cannot be pushed into great distress without social upheavals.

Will Lead to War

The chief advisers of the Great Powers, when they drafted the agenda for the World Economic Conference, pointed out just that danger. They said that unless the World Economic Conference reversed the policies of the world and caused the policy of national self-sufficiency to be abandoned certain things would happen. The international financial system would be shaken to its foundations, the standard of life would be so greatly reduced that the present social system could not be maintained. Thus the present policies of the nations in their efforts to become self-contained are likely to result first in universal revolution and then in universal war.

Now that is the situation we are facing and the question immediately arises how can so dangerous a situation be rectified?

As a matter of fact, there should be no difficulty in getting either food or raw materials today. Supplies are coming into the world markets day by day; so much so that the American Government has reduced the output of one particular commodity, cotton, by something like one third. As far as wheat goes, the American Government has reduced the output by one fourth, and restrictions are going on all over the world. "Keep supplies down."

And yet the nations need these supplies. What is wrong? It is not having no access to food and raw material. It is in every country having no adequate access to the world's markets for the goods they have to sell and to their consequent inability to sell their goods in exchange for what they desire to buy. Britain's position is probably as grave as that of any other country. Indeed I cannot see what is going to happen to the British people if this policy is continued. Britain must find a remedy that will solve the problems of Italy, of Germany and of Japan, not merely because it is its duty to do its best to help other nations, but in order that it may solve its own difficulties.

Credit Near Limit

As far as I can judge, the credit of the nations that are now borrowing so freely will come to an end this year. Mr. Roosevelt has been borrowing vast sums in order to maintain trade in the United States. But if re-elected will he wish to or be able to borrow next year?

Senor Mussolini has been spending great sums upon draining the Pontine Marshes and upon improving Rome. He has now some nearly to the end of his credit. That is probably the reason he made war. But in going to war he has used his resources up still more quickly. And when his resources are used up Italy will be in great distress.

Herr Hitler has been keeping things going by huge borrowing—huge government and municipal borrowings—and now he is finding matters so difficult that the German people are running short of necessaries.

International Trade Helps

Is Britain prepared to stand for a policy that will enable every nation to sell its goods in the world's markets so that it can obtain an income sufficient to buy what it requires?

In 1913 the value of world trade was 5,000 million pounds. When that money was paid into the various countries, it created an immense national trade. The idea that national trade is injured by international trade is a misconception. As international trade has increased, national trade has grown in greater measure. In destroying international trade you destroy national trade.

In 1929 the value of international trade was about 7,500 million gold pounds. In the past year it was about 2,500 million gold pounds, due to a considerable reduction in quantity, and a great fall in prices. The result was that international trade only created one-third the income in 1935 that it created in 1929.

Calls For "Get-together"

It seems to me there is only one way out, that we should all get together, get the world statesmen together, to think out these problems, not from the aspect of one nation, but of all nations. The questions that must be answered are how can the entire world be brought out of its difficulties; how can confidence be restored; and how can the entire race not only become better off, but progressively better off?

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

A. McKim Ltd., Toronto, have been appointed advertising agents by Lorie Ltd., Toronto, makers of rings, watches and jewellery lines. A campaign will open in the early autumn.

• • •

The man from Callander, Dr. Allan R. Dafoe, will speak to members of the Advertising and Sales Club of Toronto at the club's luncheon meeting Monday, July 20. The doctor's charges are names to conjure with in the world of advertising and he is expected to tell something of their adventures as themes for copy.

• • •

Advertising is being "advertised" for the first time by radio in Montreal in a series of broadcasts sponsored by the Advertising Club of that city. Station CFCF carried the first 15-minute programme on Friday July 3. It took the form of a dramatized conversation between a typical consumer, Mrs. Dean, Rupert R. Burdick, agency executive and a director of the club, and Leo Cox, also an agency executive and president of the club. The series is entitled "A consumer looks at advertising." It will run weekly and will attempt to answer various criticisms of advertising as an institution and to reassure the public that advertising is not only an economic necessity, but also a social good. Rupert Burdick is writing the continuity.

• • •

Financial advertisers in New York city, through their committee on advertising practice, are recommending for adoption a code designed to eliminate the use of so-called "irregular media." It will be considered at the September meeting of the N.Y. Financial Advertisers Association. The media in question are as follows: (1) All programmes covering non-commercial events or entertainment, (2) all publications except recognized commercial media which may be classified as undergraduate, religious, political, club, association, fraternal, organization, etc., (3) house organs, other than own, (4) directories in which the listings must be purchased, (5) advertisements congratulating others upon events like birthdays, new buildings, etc., (6) donations of advertising space, (7) any form of advertising contingent upon purchase of copies of the publication in question. While members will be urged to adopt this as part of their advertising policy, the code is not designed to be an agreement binding members.

• • •

General Motors of Canada is basing an interesting campaign on a test trip of a Chevrolet truck, now en route from Windsor to Moncton carrying a 7-ton payload. Coincident with the truck's visit to important Chevrolet truck dealer points, the test is featured in daily newspaper copy in the cities in question.

Bracken Win Seems Likely In Manitoba

Election Tests Stable Financial Policies of Government

WILLIS AGGRESSIVE

BY STAFF REPORTER

WINNIPEG.—With the full heat of the campaign yet to develop, opinion appears to favor re-election of the Liberal-Progressive government in Manitoba headed by Premier John Bracken.

Erick Willis, newly chosen Conservative leader, has been waging a strong campaign and is regarded as the chief threat to the government majority.

The financial issues at stake may result in some intermittent disturbances of Manitoba bonds until election day July 27.

Comparative Strengths

Financial policies of the Manitoba government will depend, of course, largely upon the results of the coming election. Return of the government would probably mean continued financial stability even though Hon. Ewan A. MacPherson may not continue indefinitely as provincial treasurer. He is said to be slated for a judgeship.

Election of a strong Conservative group would not necessarily mean uncertainty for the investor, although Mr. Willis's claims have not been entirely reassuring. The left wing parties such as C.C.F. and Social Credit are not considered strong enough to carry more than a minority of constituencies.

The issue is chiefly government finance and taxation which naturally makes the election one of unusual interest for investors in Manitoba securities. There is a tendency among businessmen to view the election as a test of whether a government can retain public support with policies aimed at budget-balancing by economy combined with stiff taxation.

Mr. Willis says he will abolish the 2% wage tax, from which the government has been getting over $1 million a year, and that he will reduce interest charges on the provincial debt by $1 million "without repudiation."

Government Views

The government budget is balanced if expenditures of $2.6 millions on unemployment relief are left out of the calculation. It has been the view of the government that the wage tax is necessary to maintain budgetary stability.

Manitoba's debt charges are $6.6 millions annually, but this includes over $1 million for sinking fund and debt retirement. It is further offset by some $2 millions of interest income. Thus net interest charges are about $3.5 millions and reduction of this by $1 million "without repudiation" is held by the government to be impossible at present.

The wage tax debate will probably cost the government support in cities where the tax is felt most. However, the Bracken forces are not particularly strong anyway in urban areas. The "saving" of $1 million on interest may swing some votes away from the government in rural areas where its strength has been greatest.

Stand on Record

There is little or no "pork barrel" apart from federal relief expenditures. Some $225,000 was voted for road work this year, but work has hardly started. In response to requests for expenditures, some government members have been stating frankly that they have no money to spend for election purposes.

In election publicity, the government has been pointing out to the electors:

1. Manitoba's debt is now lower than for any other western province although 15 years ago it was the highest.

2. Debt increase has been smaller than in any other province west of the Maritimes, and the increase is entirely due to relief expenditures.

3. Expenditures are the lowest, and the price of Manitoba bonds the highest for any western province.

The government, in fact, is asking for re-election on its record of financial conservatism. Those on the inside of politics feel, however, it is a big task to convince the electorate of the wisdom of frugality.

Guesses at Results

Government supporters look for a return to power with as large a majority as at dissolution, when the Bracken forces numbered 38 in a house of 55. Conservatives had 9 seats, Labor 5, and 3 were vacant.

Early guesses are that Labor, C.C.F. and Social Credit groups will do well to elect a dozen members among them. It is believed C.C.F. gains might be at the expense of Labor. If Conservatives were elected in 15 of the remaining 43 seats, the government majority would be shaved close to the vanishing point. The government continues to look for strong support in rural ridings, however, where about two-thirds of the legislature is elected.

Ottawa Defines Made-in-Canada

Ten Per Cent of Normal Canadian Demand Is Ruling

Definite decision has been made at Ottawa defining by order-in-council for customs purposes the phrase "made or produced in Canada."

The order declares no goods may be classed as made or produced in Canada unless total Canadian production is sufficient to satisfy at least 10% of the normal Canadian demand.

In many items of the customs tariff a rate of duty is provided for particular goods of a kind made or produced in Canada which does not apply if the goods are of a kind not made or produced here. The National Revenue Department has to decide whether goods are made here or not for the purpose of applying the duties and the order-in-council is a direction to the department.

HON. JOHN BRACKEN

Alberta Debt Outlook Dark; College Pays

University Governors Settle Interest Avoiding Illegalities

EXPECT REPORT

Work is continuing in Edmonton on the extensive report that is being prepared for the committee for holders of Alberta bonds. Financial men engaged on the job are not expected to complete their work until toward the end of this month.

The report will survey economic and financial conditions in Alberta particularly in relation to government finances. It is expected to serve as a basis for negotiations in connection with the halving of interest on the province's bonds.

Outlook Sombre

Although negotiations toward a settlement of the vexed debt and interest question have not been resumed between bondholders and the government, it is known the Aberhart cabinet would like to get the permanent refunding act proclaimed this year. For this reason, investment men are not very optimistic about the outcome.

From Our Own Correspondent

EDMONTON.—The University of Alberta is paying in full the June interest rates of 6½% on its $450,000 bond issue which matured July 1, adding to the ever-growing list of contradictions and signs of dissent within the Aberhart government.

On June 27, provincial treasurer Charles Cockroft stated that, in line with the order-in-council passed May 30 to halve interest rates on all provincial bonds and all provincial guarantees excepting only Alberta & Great Waterways Railway bonds, the rate on the university issue would be reduced to 3¼% for the month of June.

Paid Half, Now Paid All

The treasurer's statement was accompanied by one from Premier Aberhart along the same line. Both arose from the fact that the treasury had first instructed banks to pay at the full rate for the final month. This order, the provincial treasurer said, was being countermanded.

Bankers actually did pay only half of the June interest on the University coupons presented after July 1.

Now the coupon-cashers are being sought out and paid the other half of the June interest.

Questioned, Mr. Cockroft said that "there never was any question of paying full interest." Premier Aberhart had no comment.

Want to Pay, Avoid Suit

Hon. Horace Harvey, chief justice of the Alberta appeal court and chairman of the board of governors, announced that the governors themselves had decided to have the university pay the difference between half and full interest rates.

"The reason for the full payment," said the chairman, "is that the university wants to see all its obligations paid in full."

The amount of this difference amounts to only $745. The provincial treasury itself held $175,000 of the university issue.

The full payment is regarded as highly significant in that it prevents the university from being sued. Although the province cannot be sued except by fiat issued by the government itself, the university is regarded as a separate corporation and therefore is open to suit.

What of Guarantees?

More important is the question of what the province is going to do about the interest on $6,814,500 in Alberta drainage and irrigation district bonds which the government has taken over as to guarantees. Like the university, these districts are considered liable to court action which the government, as guarantor, would have to defend.

Alberta's stringent financial position was believed demonstrated by the fact that when the $450,000 principal of the university issue matured July 1, the government actually had to do much dickering to settle the $275,000 difference between its own holdings and the total. Thus the university borrowed $160,000 from the bank, on the province's guarantee.

Can. Investment Fund Pays ½c Extra Dividend

An "extra" dividend of ½-cent a share, along with the regular quarterly payment of 3½ cents a share has been declared by directors of Canadian Investment Fund Ltd. Total payment of 4 cents a share will be made Aug. 1 to shareholders of record July 15.

The additional ½ cent arises largely from semi-annual dividend receipts, and should therefore be regarded as an extra rather than a regular payment. Total of dividends to be paid Aug. 1 is over $38,000. This indicates there are over 950,000 shares outstanding compared with some 908,000 shares at the close of 1935.

The trust was sponsored originally by Calvin Bullock, New York, who continues active in management of its investments and in distribution of its shares.

New Books

CRISES AND CYCLES—By Prof. Wilhelm Ropke. Published by William Hodge & Co., 86 Hatton Gardens, London, E. C. 1. Price 10/.

This is the second remarkably fine study in modern economics to be translated from the German and to issue from the Hodge Company within recent months. The former volume, The Theory of International Trade by Prof. Von Haberler set a standard of clarity of thinking and of detachment from the excitement of contemporary explosive economics that is well maintained in Prof. Ropke's volume.

The advanced student of economics and the teacher of the subject will find this study of absorbing interest and of great value. But even the non-technical, non-professional reader will gain no little inspiration from it, even if his reading does not carry him past the introduction wherein the theme of the study is briefed. For Prof. Ropke is no fatalist. He finds no reason to believe that our capitalist civilization is washed up, a wreck, on the shore of time. He stands back far enough from the picture to get his historical perspective right and puts the blame for the present crisis where it undoubtedly belongs, upon the world war. He sees in this depression no total collapse of our present economic and social system, no last judgment, no "crisis to end crises."

Capitalism Still Alive

To the popular theory that Capitalism is done for, because it is essentially an economic system based upon expansion and, with the weight of increase of population and the end of colonial development, there is no further room for expansion, Prof. Ropke answers that within Capitalism itself there is a tremendous field for development.

He says "There is no reason whatever why our economic system must of necessity rely, for selling its increasing volume of products, on the want of fresh supplies of babies or of newly discovered islands in the Pacific Ocean, and equally no reason whatever why an increasing productivity of our economic system could not be used for the fuller satisfaction of the wants of human beings already in existence or already within the trading area of the present world economy." The possibilities of expansion, says Prof. Ropke, are inexhaustible so long as the last Hottentot has not become a millionaire.

There are other current theories that come in for considerable debunking in this study such as the doctrine that competitive Capitalism is of necessity developing into monopolistic Capitalism. The real truth is, the author believes, that there is a natural gravitation toward competition. The regimentation that seems to be going on in our system is less the fault of Capitalism than the product of false ideas and doctrines which all should continue to attack for the happiness and welfare of the world.

Prof. Ropke favors the "monetary overinvestment" theory of business cycles.

GONE WITH THE WIND. By Margaret Mitchell. The Macmillan Co. of Canada, Toronto. Price $3.

Hailed by its publishers as a second "Anthony Adverse," this dramatic novel of 1,037 pages has already received such laudatory reviews from critics as to entitle it to stand on its own feet as panoramic literature. It is less a second "Anthony Adverse" than a first "Gone With the Wind." The author, a Southern newspaper woman, has told the story of the Civil War as it was fought in Georgia and from the viewpoint of the women left behind.

Mrs. Mitchell's novel is, however, more than an historical narrative just as it is more than a piece of fiction woven around the lives of Southern characters. It is a deeply penetrating study of the mental attitudes of the South, of the character of the Southern gentry, whose chivalry and polish and stubborn loyalty cloaked a tenderness that was sometimes weakness.

Such a fine piece of work defies subtle analysis on a hurried reading. This brief and inadequate review is published in advance of the hungry and devouring reading that the book calls for, in order that those who have not yet taken their summer vacations may be advised to take "Gone With the Wind" along with them.

"THIS HAVE AND HAVE-NOT BUSINESS"—By Sir Norman Angell. Published by Hamish Hamilton, 90 Great Russell Street, London W.C.2. Price 5/-.

Sir Norman Angell may well be ranked among the really great forces for good in this day and generation. Very early in life he assumed a rôle for which he was eminently fitted and one in which he has starred before international audiences. That is the rôle of expositor. Let a great fallacy sweep over the world, or a great complexity knit the brows of statesmen and common people alike, Sir Norman Angell will take hold of the subject, reduce it to its simplest elements and throw a powerful light of sound logic and good judgment upon it to make clear its inner truth.

In this little volume, he discusses the question of colonies which is now agitating the minds of students of international affairs the world over. If we were to give back her colonies to Germany, would that bring peace to the world? If we were to provide the so-called "expansionist" countries with an opportunity to develop new areas with capital and population, would it bring order out of economic chaos or would it not? That is the problem Angell sets out to discuss.

He first exposes the fallacy of the argument that great colonial possessions make a nation rich. He did this in "The Great Illusion," published long before the war, and nothing has happened since to change the argument that he then presented. But he does not stop at that point. He does not say that the answer is to deny to Italy and to Germany something which their leaders have convinced Italians and Germans is the answer to their problem. Rather he seeks to discover what are the basic difficulties from which these and similar "have-not" people suffer and to find if possible the answer to these particular problems.

He finds such problems as protectionism, currency manipulation, over-valuation of currency and other barriers to the exchange of goods to be the real difficulties. We must face the fact, he says, that a nation's tariff, monetary policy, exchange restrictions have ceased to be purely its own affair. Our problem is not to redistribute property but to organize a process of trading between peoples.

Is Angell's Work In Vain

One would like to feel that this clear analysis of the whole subject of colonial possessions could be read and digested by the people of the world and their military leaders. But that is probably asking too much. Sir Norman Angell has set himself the task of clearing up confusion, knowing that policies based upon confusion merely lead to further confusion. But the evidence is not very strong that nations really desire to deal with logic or with truth or that they seek illumination upon the basic nature of their problems. About all Sir Norman Angell is doing by his magnificent work is to keep a few people in the middle of the road, to keep alive some small spirit of sane thinking on international problems. He is not convincing either the leaders or the masses. That is part of the tragedy of today.

T. B. R., NEWSPAPER PIECES—By Thomas B. Roberton. Published by the Macmillan's in Canada, Toronto. Price $1.

In a foreword to this book, J. W. Dafoe, spirit incarnate of the Winnipeg Free Press, disclaims the honor of having discovered T. B. Roberton. He says the "discovery" consisted in nothing more than the recognition of the obvious. Dr. Dafoe is too modest. When T. B. Roberton joined the staff of the Manitoba Free Press in 1917 he was a linotype operator in a Winnipeg printing office, and was contributing a column to a weekly labor publication. Dr. Dafoe recognized in him something of a genius and permitted him to transfer his column to the Free Press where for many years it was a joy and delight to newspaper men from coast to coast as well as to the citizens of Manitoba.

The crisply pleasant style of Roberton (who died last year at a much too early age) is well demonstrated in the pieces gathered together to make this book. The subject matter is as broad as the interests of Roberton himself. The death of Robert Forke, the singing of Galli Curci, a trip to the races, a revisiting of his well-loved Scotland, an article in Harper's Bazaar, a piece by Communist agitator—whatever the event that inspired Roberton to write it was only a peg upon which to hang his homely philosophy and his constant good humor.

Roberton wrote editorials, but he had the mind of a poet. He loved the flowing phrase and the unusual word. If someone else used them first he abstracted them with due credit, but his recognition of genius in others was the recognition accorded by one great artist to another.

One looks in vain in the volume for what some folks regard as the brightest piece T. B. R. ever did, a whimsical ceremonial order for a procession of Imperial interests. It was inspired by the Ottawa Conference of 1932. Possibly Roberton didn't do it and we are giving him credit for something done by another member of the staff. But if it was Roberton's work it should have appeared in this volume, for it was T. B. Roberton—or some other Roberton—at his best.

J. B. McGeachy, who was for some years Roberton's colleague on the Winnipeg Free Press, has made the selection for this volume which is one that will be treasured by every Canadian journalist and ought to be read by everyone sceptical of Canada's facilities to produce contemporary literature of permanent value. If these sketches had been done for an American paper, Roberton would have become an international figure. But it is harder to achieve such fame in a country whose people are loaded down with bricks to shy at rising heads.

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that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your Lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.
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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

(Furnished by Toronto Bond Traders' Assoc.)

WEEK ENDING JULY 13

Range 1936 High	Low	Div R'te $	Jly11 Y'ld %	Stock	Sales	Last July 6	Week end. July 13 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	14071	1.95	2.25	1.85	2.00
13	6½	.	...	Do. pref. 6%	4439	10½	12½	10½	11½
12	6½	.	...	Do. cert. dep.	430	10½	12	10½	12
4½	4½	.	...	Acadia Sugar	....	(4 bid — asked)			
21	14½	50c	2.5	Acme Glove	160	20½	20	20	20
100	95	6.50	6.6	Do. pref.	31	98	98	98	98
10	7½	40c	4.4	Agnew Surp.	70	9	9	9	9
107	102	7	6.7	Do. pref.	23	104	104	103½	104
6	3	.	...	Alta. Pac. Gr.	5	4	4	4	4
30	25	.	...	Do. pref.	430	30	30	27½	27½
3	2	.	...	Amal. Electric	....	(— bid 2 asked)			
23	14	.	...	Do. pref.	....	(15 bid 20 asked)			
40½	29½	15c	...	Amer. Cyn. B.	....	(— bid 35 asked)			
54½	51½	3.50	6.4	Ang. C. Tel. pf.	....	(55 bid — asked)			
34	17½	.	...	Asbestos v. t.	1110	32	34	32	34
15	9½	60c	6.3	Assoc. Brew.	60	9½	9½	9½	9½
110	103	7	6.8	Do. pref.	....	(106½ bid 109 asked)			
35	34	.	...	Assoc. T. & T. p.	....	(35 Feb. 12)			
106	105½	7	6.6	Atlan. Sugar, p.	....	(105 bid — asked)			
				B					
58½	51½	2.25	3.8	Bk. of Canada	127	57½	58	57	58
140	133	8	5.8	Bk. Can. Nat.	90	139	137½	137½	137½
214	182½	8	4.1	Bk. Montreal	272	192	191	190	190
300	271	12	4.2	Bk. N. Scotia	95	286	287	285	285
235	220	10	4.5	Bk. Toronto	29	225	222	220	220
13½	11	75c	...	Barcelona	....	(8 bid 11½ asked)			
17½	10½	.	...	Bathurst Pr.	4235	14	14½	13½	14
5½	3	.	...	Do. (B)	355	4	4½	4	4
4	1½	.	...	Bawlf Grain	5	2	2	2	2
33	24	.	...	Do. pref.	170	25	27	26	26
3	2½	.	...	Beath & Sons	....	(2½ bid — asked)			
15	9½	.	...	Beatty Bros. A.	15	10	11	10½	11
105	96	6	5.9	Do. pref.	....	(102½ bid — asked)			
3½	1½	.	...	Beauharnois	1552	2	2½	2	2½
110	105	4	3.6	Belding Cort.	....	(91 bid 110 asked)			
135	130	7	5.2	Do. pref.	....	(123½ bid — asked)			
150	140	6	4.0	Bell Telephone	373	146	148	145	146½
36	30	1.25	...	Biltmore Hats	....	(35 bid 36 asked)			
110	110	7	6.4	Do. pref.	....	(107 bid — asked)			
5	3½	.	...	Bissell, T. E.	....	(3½ bid 4 asked)			
50	33	.	...	Do. pref.	....	(35 bid 40 asked)			
5	3½	.	...	Blue Ribbon	....	(4 bid 4½ asked)			
33	27	2	6.5	Do. pref.	10	30	30½	30½	30½
26½	26	.	...	Brant. Cord new	181	26½	26½	26	26½
15½	9½	30c	...	Brazilian Tr.	9838	13	13½	12½	12½
1.45	.80	.	...	Brew. & Distil.	1685	.95	.95	.90	.95
4½	2½	.	...	Brewing Corp.	1074	2½	2½	2½	2½
18½	13½	1.50	9.6	Do. pref.	299	15½	15½	15½	15½
9	5	30c	6	Bright, T. G.	....	(5½ bid 7½ asked)			
82	80	6	7.5	Do. pref.	....	(76 bid — asked)			
27½	16½	80c	3.1	Brit. Amer. Oil	7744	25	25½	24½	25
13	8½	.	...	B. C. Packers	175	8½	9	8½	8½
32½	28½	1.50	5	B. C. Power (A)	335	30	30	29½	29½
5½	3½	.	...	Do. (B)	192	3½	4½	4	4½
16	8½	10c	...	Bruck. S. Mills	395	9	9	8½	8½
40	33	1+25c	3.7	Building Prod.	3120	36	40	37	39½
25½	20	.	...	Burry Biscuit	5	24½	25½	25½	25½
53	51	3	5.7	Do. pref.	....	(52 bid 56 asked)			
47½	37½	2	4.8	Burt, F. N.	60	40½	41	41	41
				C					
86½	78	6	7	Calgary Pr. pf.	....	(— bid 85 asked)			
6	4½	.	...	Canada Bread	195	4½	5½	5	5½
97	90	1.25+50c	...	Do. pref. A.	....	(97 bid 100 asked)			
44	30	.	...	Do. pref. (B)	142	40	42	41	42
10½	6½	40c	...	Canada Bud	150	9	9	9	9
8	6	.	...	Canada Cement	2770	6½	7	6½	7
76	58	.	...	Do. pref.	1717	72	76	72	74
70	57	1.50+1	4.2	Can. & D. Sug.	....	(59½ bid 60 asked)			
b16½	10½	.	...	Canada Dry	10400	13½	14½	12½	12½
7	3	.	...	Can. Forg. (A)	....	(4½ bid — asked)			
2	2	.	...	Do. (B)	....	(2 bid — asked)			
50	40	.	...	Canada Iron	....	(30 bid 50 asked)			
60	60	3	5	Do. pref.	....	(51 bid — asked)			
35	30½	1.50+50c	6.2	Can. Malting	280	32	32	31½	32
25½	22½	1.20	4.8	Can. Nor. Pr.	738	24½	25	24½	24½
111	107½	7	6.3	Do. pref.	328	111	111	110	111
93	80	3	3.5	Can. Packers	125	83	85	83½	[illegible]
118	105	.	...	Can. Paper, pf.	10	109	110	110	[illegible]
2	1½	.	...	Can. Paving, pf.	....	(1½ bid [illegible] asked)			
160	137½	8	5.3	Can. Perman.	13	148	150	[illegible]	150
3½	1	.	...	Can. Steamsh's	555	1½	2½	2	2
15½	6½	.	...	Do. pref.	1687	6½	8½	7	7½
27½	19½	1.20	5.7	Can. Vinegars	125	20½	21	20½	21
27½	20½	.	...	Can. W. Cable	[illegible]	26½	27½	27½	27½
12½	9	.	...	Do. (B)	[illegible]	11	11	11	11
102½	98½	.	...	Do. pref.	....	(104 bid — asked)			
4	2	.	...	Can. Bakeries	....	(2½ bid 3½ asked)			
57	41	.	...	Do. pref.	....	(40 bid 45 asked)			
170	148	8	5.2	Can. Bk. Com.	201	153	153	151½	152
41	31	1	2.7	Can. Bronze	....	(37 bid 39 asked)			
116	[illegible]	5	4.6	Do. pref.	137	108	108½	106½	106½
5½	4	.	...	Can. Canners	290	4½	4½	4½	4½
101	88½	6	5.9	Do. 1st pfd.	106	100	101	100	100½
8½	5	.	...	Do. 2nd. pfd.	2735	6½	7½	6½	7½
8	5½	.	...	Can. Car. & Fd'y	6834	6½	7½	6½	7½
[illegible]	13	.	...	Do. pref.	9795	15½	18½	15½	18½
31½	25½	40c	...	Can. Celanese	593	29½	29½	29	29
128	112	7	5.8	Do. pref.	115	120	120½	120	120½
21½	18	.	...	Do. Rights	90	21	21	21	21
30	22½	2	8.2	Can. Convert.	75	25	25	24	25
51	48	4	7.8	Can. Cottons	....	(50 bid — asked)			
105	97	6	5.9	Do. pref.	10	100	101	101	101
50	37	2+1	6.1	Can. Dredge	150	49	49	48½	49
100	93½	6	6.1	Can. Fairb., pf.	....	(92½ bid — asked)			
34	23½	1.60	5.6	Can. For. Inv.	45	29	28½	28½	28½
107½	105	8	7.4	Do. pref.	41	106	107½	107	107½
175	150	5	3.1	Can. Gen. Elec.	55	158	155½	155	155½
8½	7½	40c	...	Can. G. Inv.	....	(7½ bid — asked)			
48	26	.	...	Can. Hyd. El. p.	326	32	33	31½	32½
12½	6½	.	...	Can. Ind. Alco.	7200	7½	7½	6½	7½
11½	5½	.	...	Do. (B)	426	6½	6½	5½	6½
225	221	4+75c	...	Can. Indust. B.	....	(217 bid — asked)			
4	1	.	...	Can. Int. I. Tr.	....	(1½ bid 2 asked)			
65	35	.	...	Do. pref.	....	(55 bid — asked)			
23	20	1	5	Can. Lt. & Pr.	20	20	20	20	20
4	2½	.	...	Can. Locomo.	....	(— bid 3 asked)			
b2½	1½	.	...	Can. Marconi	1300	1½	1½	1½	1½
18	12	50c	4	Canadian Oil	70	12	12½	12	12½
130	123	8	6.2	Do. pref.	50	130	130	130	130
15½	10½	.	...	Can. Pacific	5820	12½	12½	12½	12½
.15	.10	.	...	C. Pr. & Pa. In.	....	(.30 bid — asked)			
7	4½	.	...	Do. pref.	....	(6 bid — asked)			
3½	1½	.	...	Can. Vickers	100	2½	2	2	2
25	12	.	...	Do. pref.	....	(14½ bid — asked)			
28	25	.	...	C. Wallpaper B.	25	25	25	25	25
3½	2	.	...	Can. Wineries	95	3½	2½	2	2½
26½	21	1.50	...	Can. Wire Box.	140	25	25	25	25
102½	100	5	4.9	Carnation, pf.	45	101½	101½	101½	101½
4	2½	.	...	Catelli Food	....	(3½ bid 5 asked)			
15	12	38c	...	Do. pref.	85	12½	12½	12½	12½
165	165	8	4.8	Cent. Can. Loan	....	(160 bid 195 asked)			
1.60	.85	.	...	Chem. Research	3600	1.26	1.25	1.00	1.14
3.00	1.50	.	...	City Gas & Elec.	50	1.50	1.75	1.75	1.75
.60	.25	.	...	Claude Neon	3150	.30	.45	.40	40
14½	12½	92c	...	Coast Brew.	355	13	13½	13	13
7½	4	.	...	Do. Rights	320	5½	7½	6½	7½
9½	6½	.	...	Cockshutt Plow	330	7	6½	6½	6½
1.35	.60	.	...	Comm. Alcohol	50	.75	.70	.70	.70
18½	15½	80c	4.5	Cons. Bakeries	767	17	17½	17	17½
4½	2	.	...	Cons. Paper	32917	4	4½	4	4½
9	5	.	...	Cons. Press	5	5½	5½	5½	5½
35	33	.	...	Cons. Sand, pf.	50	35	33	33	33
57½	51	50c	...	Cons. Smelters	2933	54	54½	53½	54
205½	189	10	4.9	Consumers' Gas	76	202	203	201	203
90	78	7+	8.6	Corr. P. Box, p.	20	81	81	80	81
22½	17½	80c	3.6	Cosmos Imp.	655	22	22	21½	21½
105	102	5	4.8	Do. pref.	....	(104½ bid — asked)			
17	15	80c	4.8	Crown Cork	840	15½	16½	15½	16½
2½	2	.	...	Crown Dom. Oil	....	(1½ bid 2 asked)			
56	30	3	...	Crow's N. Coal	35	50	48½	47	48½
				D					
4	2	.	...	David & Fre. B.	....	(2½ bid 2½ asked)			
68	40	.	...	Do. A.	....	(— bid 7 asked)			
7	2	.	...	De Havilland	25	3½	4	4	4
68	40	.	...	Do. A.	....	(— bid 61½ asked)			
4	4	.	...	Disher Steel	....	(— bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(8 bid 9 asked)			
34½	18½	.	...	Distill-Seagram	6045	20½	23½	20½	22½
222½	190	10	5	Dom. Bank	16	200	198	194	198
40½	32	1.20	3	Dom. Bridge	867	39	39½	38½	39½
17½	14	1.50	9.2	Dom. Coal, pf.	1445	16½	16½	16	16½
36	26½	.	...	Dom. Engineer	75	33	33½	33	33
41	32	.	...	Dom. Foundries	....	(50 bid — asked)			
115	106	5	4.5	Dom. Glass	25	109	109	109	109
155	135	7	4.6	Do. pref.	12	150	150	150	150
35½	33	.	...	Dom. Oilcloth	....	(34 bid — asked)			
100	95	7	7.3	Dom. Rubber, p.	2	95	95	95	95
8	3½	.	...	Dom. St. & C. B.	3239	4½	4½	4½	4½
12	8	.	...	Dom. Stores	355	8½	9	8½	8½
7½	4½	.	...	Dom. Tar & Ch.	2410	5½	6½	5	6½
85	57	.	...	Do. pref.	215	80	85	80	85
79	60	5	7.7	Dom. Textile	280	63	64½	63½	64½
148	143	7	4.8	Do. pref.	5	143	144	144	144
9½	4½	.	...	Donnacona P. A.	597	7	7	6½	7
7½	2½	.	...	Do. (B)	72	6½	6½	5½	6½
7	4½	.	...	Dryden Paper	2135	5	6½	5½	6½
				E					
2½	1	.	...	East. Koot. Pr.	....	(2½ bid — asked)			
16	5	.	...	Do. pref.	....	(— bid 8 asked)			
3½	1½	.	...	East. Dairies	135	1½	1½	1½	1½
16½	10	.	...	Do. pref.	50	10	11	11	11
13½	10	.	...	East. Steel	70	13	13	13	13
101	80	7	6.9	Do. pref.	25	100	101	101	101
85	80	7	8.7	East. Theat., pf.	....	(72½ bid 85 asked)			
3	1½	.	...	Easy Washing	....	(2½ bid 3 asked)			
24	20	62½c	...	Economic Inv.	10	23½	23	23	23
28½	19½	1.60+10c	...	Electrolux	175	23½	23½	22½	23
3	1	.	...	Enam. & Heat.	10	1	1½	1½	1½
24	10½	.	...	Eng. Electric	25	20	19½	19½	19½
12½	4	.	...	Do. (B)	215	8½	8	8	8
7	7	.	...	European El. A	....	(2 bid — asked)			
.35	.35	.	...	Do. Warrants	....	(.35 bid — asked)			
				F					
21½	18	.	...	Fam. Players	50	20	18	18	18
20	14	.	...	Do. Vot. Tr.	....	(18 bid 23 asked)			
17½	13½	50c	3.5	Fanny Farmer	450	14	14½	14½	14½
28½	18½	75c	3.7	Ford Motors A.	6377	20½	20½	18½	19½
3.00	.65	.	...	For. Pr. Secs.	....	(.65 bid — asked)			
18½	13	.	...	Foundation Co.	8708	13½	16½	13½	16½
19½	9	.	...	Fraser Cos.	1292	14½	16½	15½	16½
19	8	.	...	Do. Vot. Tr.	14858	12	16½	13½	15
60	55	6	10.5	Freiman, pf.	50	56	57	57	57
8	2½	.	...	Frost Steel	....	(— bid 5 asked)			
100	89	3.50	...	Do. pref.	5	94	95½	95½	95½
				G					
5½	3	.	...	Gen. St. Wares	490	3½	3½	3½	3½
65	45	.	...	Do. pref.	25	50	49½	49½	49½
73	64½	2.50	3.6	Goodyear Tire	30	70	69½	69	69½
60	53½	2.50	4.3	Do. pref.	385	58	58	57½	57½
3	1	.	...	Gt. W. Saddlery	....	(1½ bid 2½ asked)			
30	13	.	...	Do. pref.	....	(18 bid 25 asked)			
8½	5½	.	...	Gurd, Chas.	100	6	6	5½	6
100	100	7	7	Do. pref.	....	(93½ bid 100 asked)			
8½	5½	.	...	Gypsum, Lime	7601	6½	7½	6½	7½
				H					
6½	4	.	...	Ham. Bridge	350	5½	5½	5	5
39½	25½	.	...	Do. pref.	90	40	37	36	37
29½	26½	2	7.1	Ham. Cot., pf.	10	28½	28	28	28
1½	1	.	...	Ham. U. Theat.	....	(1½ bid 2 asked)			
53	50	4	7.6	Do. pref.	....	(52½ bid 60 asked)			
4	2½	5c.	...	Harding Carpet.	45	3½	3½	3½	3½
9	1½	.	...	Hillcrest Coll.	....	(2½ bid 10 asked)			
16	7	.	...	Do. pref.	....	(— bid 15 asked)			
15½	12	50c	4.1	Hinde & Dauch.	30	13	12½	12½	12½
7	6	.	...	Holt Renfrew	....	(4 bid — asked)			
40	30	.	...	Do. pref.	200	40	40	40	40
.70	.40	.	...	Honey Dew	50	.50	.50	.50	.50
12	7	.	...	Do. pref.	28	10	10	10	10
14½	9½	.	...	H. Smith Pap.	2101	11½	13½	11	13½
119	88	1.50	...	Do. pref.	260	90	92	90½	91½
35	29½	2	6.6	Humberstone S.	5	30	30	30	30
7½	4½	.	...	Hunts (A)	....	(5 bid 7 asked)			
7½	6	.	...	Do. (B)	....	(6 bid 8 asked)			
90	70	5	7.1	Hurdn & E. Mt.	29	75	72½	70	70
12½	10	.	...	Do. 20% pd.	....	(— bid 10 asked)			
10½	6½	.	...	Hydro Electric	....	(7 bid 7½ asked)			
				I					
221	198	10	4.9	Imperial Bank	26	204	204	203½	204
24½	20½	50+75c	5.9	Imperial Oil	11240	20½	21½	20½	20½
14½	13½	52½c	3.7	Imperial Tob.	3010	14	14	13½	14
7½	7	6%	...	Do. pref.	1500	7½	7½	7½	7½
30	19	1	...	Inter. City Bak.	461	26	30	30	30
48	40	4.50	...	Inter'c Coal	....	(— bid 49½ asked)			
115	115	8	6.9	Do. pref.	....	(115 bid — asked)			
b5½	2½	.	...	Int. Hyd. E. A.	5516	3	3½	3½	3½
7½	4	.	...	Int. Metal Ind.	105	7½	7½	6½	7½
49	30	.	...	Do. pref.	215	48	49	48	49
105½	101	5	4.8	Inter. Mill., pf.	135	103	102½	102½	102½
54	43½	1.20	2.4	Inter. Nickel	16160	49½	50½	49½	50½
6	2½	.	...	Inter. Paints	10	3	3½	3½	3½
29½	15	1.12½▲	...	Do. pref.	....	(15 bid 17 asked)			
b7½	3½	.	...	Int. Pa. & P. A.	5405	6	6½	5½	6½
b4	2½	.	...	Do. (B)	2000	3	3½	2½	3½
b3½	1½	.	...	Do. (C)	3102	2½	2½	2½	2½
b40½	20½	.	...	Do. pref.	49753	35½	40½	34½	37½
39½	33½	1.50+1	6.9	Inter. Pete.	5149	36	36½	35½	36½
6	3	.	...	Inter. Power	100	3	4½	3½	4½
94	87	6	6.4	Do. pref.	78	93	94	93	93
15½	13	.	...	Int. St. Rly. A.	....	(13½ bid 14 asked)			
14½	3½	.	...	Int. Util. (A)	125	9½	9½	9	9½
2.25	.40	.	...	Do. (B)	750	1.25	1.25	1.10	1.25
				J					
36	33	1.50	4.1	Jam. Pub. Ser.	25	36	36	36	36
127	123½	7	5.5	Do. pref.	....	(127 bid — asked)			
				K					
9	6½	.	...	Kelvinator	720	7½	9	8½	8½
107	105½	7	6.6	Do. pref.	....	(105½ bid — asked)			
				L					
24	16½	.	...	Lake of Woods	3535	20½	24	20½	23½
145	123	1.75	...	Do. pref.	30	140	145	145	145
58	54	5	9.2	Landed Bank	....	(55 bid 82 asked)			
4	3	.	...	Langley's	....	(1½ bid 4 asked)			
50	35	.	...	Do. pref.	20	40	50	40	50
69½	64½	3	4.3	Laura Secord	80	69½	69½	69½	69½
4	2	.	...	Lindsay, C. W.	30	3½	4	3½	4
50	40	.	...	Do. pref.	15	50	50	50	50
21½	18½	1	4.8	Loblaw (A)	1566	20½	21	20½	20½
19	17½	1	5.2	Do. (B)	860	18½	18½	18½	18½
				M					
4	4	.	...	Manitoba Pr.	....	(1½ bid 3 asked)			
.50	.50	.	...	M. L. Gardens	....	(.50 bid 1.50 asked)			
4	2½	.	...	Do. pref.	....	(3 bid 4 asked)			
2.25	1.00	.	...	Maple Leaf	2649	1.50	1.65	1.35	1.65
5½	2	.	...	Do. pref.	295	3½	3½	3½	3½
*12½	12	60c	...	Maritime Tel.	....	(13½ bid — asked)			
15	15	70c	4.7	Do. pref.	....	(14½ bid — asked)			
18	18	.	...	Marcus Loew's	....	(14½ bid 18 asked)			
115	111	7	...	Do. pref.	....	(116 bid 119 asked)			
7½	4½	.	...	Massey-Harris	2531	5	5½	5	5
40	29½	.	...	Do. pref.	1250	33½	33½	31½	32
17½	12½	80c	5.3	McColl Fron.	1161	15	15	14½	15
105	96½	6	5.8	Do. pref.	275	102½	103	102	102½
13½	9	.	...	Melchers (A)	30	11½	11	10½	10½
5½	3½	.	...	Do. (B)	25	3½	3½	3½	3½
13½	9	.	...	Mercury Mills, p	....	(10 bid 13 asked)			
36	30	1	...	Mitchell, J. S.	100	36	36	36	36
110	110	7	6.3	Do. pref.	125	110	110	110	110
8	5½	.	...	Mitchell, Robt.	115	6½	6½	6	6½
5	3	.	...	Monarch, Knit.	....	(3½ bid — asked)			
90	85	7	8.2	Do. pref.	....	(85½ bid 87 asked)			
35	26	.	...	Montreal Cot.	5	32	32	32	32
100	85	7	7.5	Do. pref.	....	(90 bid 95 asked)			
2½	1½	.	...	Mont. Is. Pr.	....	(2 bid 4 asked)			
34	30	1.50	4.8	Mont. L. & Pr.	4510	30½	31	30½	30½
28	26	2	7.7	Montreal Loan	....	(26 bid 36 asked)			
9	9	.	...	Mtl. Ref. & S.P.	....	(2 bid 3 asked)			
2	2	.	...	Do. Vot. Tr.	....	(9 bid 11 asked)			
60	55½	3.20	5.7	Montreal Tele.	9	56½	56½	56	56
103	85	9	9.6	Montreal Trams	19	92½	94	92½	94
39	27½	1	2.5	Moore Corp.	418	38½	39	38½	38½
166	146	7	4.2	Do. pref. (A)	20	160	166	166	166
230	175	7	3	Do. pref. (B)	5	230	230	230	230
1.00	.25	.	...	Muirheads	26	.60	.40	.40	.40
3½	3	.	...	Do. pref.	....	(— bid 6 asked)			
				N					
45	37	2	4.4	Nat. Breweries	1363	44½	45	44½	45
43	39½	1.75	4	Do. pref.	271	40½	43	41½	43
7½	5	.	...	Nat. Grocers	660	5½	6	5½	5½
136	130	7	5.1	Do. pref.	20	133	136	135	135
20	16½	.	...	N. Sew. Pipe A.	50	16½	17½	17½	17½
17½	13	.	...	Nat. Steel Car.	2765	14	16½	13½	16
210	196	8	3.8	National Tr.	14	210	210	200	207
60	34	75c	...	Niag. W. Weav.	85	60	60	60	60
61	56	3	5	Do. pref.	270	59½	61	60	60
1.75	.90	.	...	North Star Oil.	80	1.55	1.55	1.55	1.55
4.10	3.15	8½c▲	...	Do. pref.	100	3.50	3.25	3.25	3.25
84½	61	3	3.6	N. S. L. & Pr.	....	(— bid 84½ asked)			
102½	100½	6	5.9	Do. pref.	....	(101½ bid — asked)			
				O					
240	199½	8	3.8	Ogilvie Flour	105	215	220	210	210
165	152	7	4.3	Do. pref.	....	(161 bid — asked)			
10	5½	.	...	Ont. Eq. 10% pd.	110	5½	6½	5½	5½
119	109	6	5.2	Ontario Loan	....	(115 bid — asked)			
14½	7	.	...	Ont. Silknit	40	9	9	9	9
90	75	7	8.7	Do. pref.	25	75	80	75	80
8	6	.	...	Ont. Steel	129	6	6	6	6
85	74	.	...	Do. pref.	....	(— bid 95 asked)			
.40	.25	.	...	Orange Crush	....	(.30 bid .40 asked)			
22	6	.	...	Do. 1st pref.	15	21	21	21	21
1.35	.40	.	...	Do. 2nd pref.	....	(.75 bid 1.00 asked)			
96	88	6	6.2	Ott. L. H. & Pr.	155	95	96	95	96
110	101½	6.50	6	Do. pref.	40	106	107	107	107
21	15	2	12.1	Ott. Traction	15	16½	17	17	17
				P					
95	78½	3	3.3	Page Hersey	170	88½	90	89½	90
6½	3½	.	...	Pantepec Oil	1265	5½	5½	5½	5½
25	18	.	...	Paton Mfg.	....	(— bid 25 asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
57	48	3	5.7	Penmans	40	52	52	52	52
125	118	6	4.8	Do. pref.	25	125	125	125	125
27	21½	1	4.5	Photo Eng.	50	22½	22½	22½	22½
97	83½	7	8.4	Porto Rico Pr. p	5	83½	82	82	82
18½	11½	.	...	Power Corp.	786	14	14½	14	14½
101	97½	6	6	Do. pref.	115	99½	100	99	99
2½	1½	.	...	Prairie C. Oil	....	(— bid 1½ asked)			
29½	19	87½+12½c	...	Pressed Metals	65	28	27	26	27
6½	2½	.	...	Price Bros.	850	4	5	4	4½
40½	22	.	...	Do. pref.	3679	35½	40½	34	40½
				Q					
18	14	1	6.2	Quebec Power	435	16½	16½	16	16
				R					
*58	40	2	...	Real Estate L'n.	....	(— bid 48 asked)			
6½	4½	.	...	Regent Knit.	135	5	4½	4½	4½
15½	12½	.	...	Do. pref.	....	(14½ bid 15½ asked)			
10	6	.	...	Reliance Grain	....	(4½ bid — asked)			
21½	19½	.	...	Remington R'd	....	(18½ bid — asked)			
31	29	2	6.7	River. S. Mills	40	30	30	29½	29½
6½	4	.	...	Rogers Majest.	233	4½	4½	4½	4½
104	95½	6	6	Rolland P., pf.	126	99	100½	98½	100½
182	164	8	4.7	Royal Bank	287	170	169	167	169
35	30	.	...	Russell Motor	....	(45 bid — asked)			
115	100	7+1▲	6.2	Do. pref.	5	112	112	112	112
				S					
11	6	.	...	Sarnia Br. (A)	85	7½	7	7	7
3	1½	.	...	Do. (B)	....	(2 bid 3 asked)			
23½	18½	60c	3.3	Shawinigan	3010	19	19½	18½	19½
20	16	.	...	Sher. Wms.	840	16	19	16½	18
127½	115	7	6.1	Do. pref.	....	(116 bid 120 asked)			
12	9½	.	...	Simon & Son	10	10	9½	9½	9½
93	85	7▲	...	Do. pref.	30	92	90	90	90
80	72½	4	5.2	Simpson, Ltd.	55	72½	75½	72½	73
12	10½	.	...	Do. (A)	....	(— bid 10 asked)			
9	4	.	...	Do. (B)	....	(7 bid 7½ asked)			
117½	111½	6	5.3	Simpson, R., pf.	....	(113 bid 116 asked)			
14	11	80c	6.6	So. Can. Pr.	90	11½	12	11½	12
101	98	6	5.9	Do. pref.	116	99	101	100	100½
3.12	1.50	.	...	St. Law. Corp.	18076	2.50	3.12	2.37	3.12
14½	8	.	...	Do. (A)	6255	13½	14½	13½	14
51	40	2	3.9	St. Law. Flour	....	(50 bid — asked)			
130	120	7	5.4	Do. pref.	....	(125 bid 135 asked)			
37	20½	.	...	St. Law. Pap. p.	2484	35	37	35½	36½
10	6½	.	...	Stand. Chem.	205	8	8	7½	7½
2	2	.	...	Stand. Clay	....	(3½ bid 9 asked)			
3.75	1.15	.	...	St. Pav. & Mat.	235	2.50	2.12	2.00	2.00
22	12	.	...	Do. pref.	....	(15 bid 17 asked)			
40	20	.	...	Stand. Steel, pf.	25	40	40	40	40
67½	57	1.75‡	2.7	Steel of Can.	541	63	65½	63	64½
60½	49½	1.75	2.9	Do. pref.	435	57½	59½	57½	59½
4	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
2½	1	.	...	Stop & Shop	10	[illegible]	[illegible]	[illegible]	[illegible]
2½	2	.	...	Supersilk H.	....	(2½ bid 3½ asked)			
72	69	3.50	...	Do. pref.	....	(66 bid 70 asked)			
38	30	1	2.8	Sup. Pete. ord.	10	35	35	35	35
35	32	1	2.8	Do. com.	....	(33 bid 40 asked)			
				T					
40	32½	.	...	Tamblyn	....	(37 bid 40 asked)			
114	110	7	6.2	Do. pref.	10	112	112	112	112
5	1½	.	...	Thayers	....	(1 bid 2 asked)			
37	28	.	...	Do. pref.	....	(18½ bid 26 asked)			
3	1½	.	...	Thrift Stores	10	1½	2½	2½	2½
10	5	.	...	Do. pref.	365	8½	8½	8	8½
11	8½	.	...	Tip Top Tailors	....	(8½ bid 9 asked)			
106	102	7	6.6	Do. pref.	25	105	105	105	105
1	1	.	...	Tooke Bros.	....	(1 bid 3 asked)			
22	10½	.	...	Do. pref.	....	(15 bid 16 asked)			
40	34	1	2.8	Tor. Elevators	....	(35 bid 38 asked)			
119	109	7	6.1	Do. pref.	....	111 bid 114½ asked			
95	84	4	4.7	Tor. Gen. Tr.	....	(84 bid — asked)			
120	115	6	5	Toronto Mtge.	....	(121 bid — asked)			
155	150	7	4.6	Tuckett Tob. pf.	....	(150 bid — asked)			
12½	8	.	...	Twin City	....	(9 bid 12 asked)			
				U					
12½	9	10c	...	Union Gas	2925	12½	12½	12½	12½
25	15	30c	...	Un. Amuse. (A)	25	17½	25	25	25
.95	.50	.	...	United Distill.	950	.50	.70	.50	.70
29	20	.	...	United Fuel, pf.	178	23½	24	23	23½
25	20	2	8	United Secs.	....	(23½ bid — asked)			
4½	2½	.	...	United Steel	620	2½	2½	2½	2½
				V					
3½	1½	.	...	Viau Biscuit	65	2	2	1½	2
38	18	.	...	Do. pref.	....	(31 bid 39 asked)			
				W					
31½	20	.	...	Wabasso Cot.	335	20	20	20	20
34½	26½	2	5.8	Walker-Good.	14757	28½	34½	28½	32½
19	17	1	5.5	Do. pref.	2711	18	18½	17½	18
3½	2	.	...	Walkerville Br.	4380	2	2½	2	2½
2.25	1.00	.	...	Waterloo Mfg.	....	1.25 bid 1.30 asked			
10	4½	.	...	West. C. Flour	119	5½	6	5½	6
65	36	.	...	Do. pref.	10	45	45	45	45
52	46½	2	4	West. Grocers	26	49½	50	50	50
110½	106	7	6.4	Do. pref.	2	108	108	106	106
17½	13½	80c	5.6	Weston Ltd.	1060	14½	14½	14	14½
102	98	5	5	Do. pref.	80	100	100	99½	100
1.15	1.15	.	...	Windsor Hotel	80	1.15	1.15	1.15	1.15
4½	4	.	...	Do. pref.	50	4½	4	4	4
4½	2½	.	...	Winnipeg Elec.	205	2½	3	2½	2½
18	10	.	...	Do. pref.	60	13	13	13	13
53	38	.	...	Wood, A. & J. p	....	(— bid 50 asked)			
67½	50	.	...	Woods Mfg., pf.	30	55	58½	57	57
				Z					
4	2½	.	...	Zimmerknit, c.	20	4	4	4	4
69	60	3.50▲	...	Do. pref.	....	(65 bid 85 asked)			

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* Quotations for 1935. No sales recorded in 1936 to date.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
July 15, 1936

Dominion of Canada Bonds

Issue	Due	Bid July 15	Asked July 15	Approx. Yield	Bid July 8
††Dominion . 5	1 Mar. 1937	102.65	103.05	..	102.75
‡Dominion . 5½	1 Dec. 1937	106.60	107.00	.37	106.50
Dominion . 2½	15 Oct. 1939	103.50	104.00	1.26	103.50
Dominion . 4	15 Oct. 1939	108.00	108.50	1.36	108.00
Dominion . 2	15 Nov. 1939	102.00	102.50	1.24	102.00
Dominion . 1½	1 June 1940	100.25	100.75	1.30	100.25
Dominion . 4½	1 Sept. 1940	110.70	111.15	1.69	110.35
Dominion . 5	15 Nov. 1941	114.75	115.25	1.98	114.65
Dominion . 3	15 Oct. 1942	105.60	106.10	1.97	105.60
Dominion . 2½	1 June 1943	103.00	103.50	1.95	103.00
Dominion . 5	15 Oct. 1943	115.85	116.35	2.52	115.75
Dominion . 4½	15 Oct. 1944	113.85	114.35	2.56	113.75
■Dominion . 2½	15 Aug. '43-45	99.60	100.15	2.49	99.25
Dominion . 4	15 Oct. '43-45	109.75	110.25	2.45▲	109.65
Dominion . 4½	1 Feb. 1946	113.85	114.35	2.78	113.75
Dominion . 3½	15 Oct. '44-49	105.65	106.15	2.68▲	105.65
Dominion . 4	15 Oct. '47-52	108.75	109.25	3.02▲	108.65
Dominion . 3	1 June '50-55	100.75	101.25	2.89▲	100.70
Dominion . 4½	1 Nov. '46-56	111.65	112.15	3.13▲	111.50
Dominion . 4½	1 Nov. '47-57	111.65	112.15	3.23▲	111.50
Dominion . 4½	1 Nov. '48-58	112.25	112.75	3.25▲	112.00
Dominion . 4½	1 Nov. '49-59	112.45	112.95	3.30▲	112.20
■Dominion . 3¼	15 Jan. '56-61	101.75	102.25	3.10▲	101.50
Dominion . 3¼	1 June '56-66	101.40	101.90	3.12▲	101.25

Dominion Guaranteed Bonds

Issue	Due	Bid	Asked	Approx. Yield	Bid
*G. T. P. Ry. 3	1 Jan. 1962	100.50	101.50	2.92	100.50
Can. N. Ry. 3	1 May 1944	104.00	105.00	2.30	104.00
Can. N. Ry. 3	15 Dec. '45-50	100.50	101.50	2.82▲	100.50
Can. N. Ry. 3	15 Feb. '48-53	100.00	101.00	2.90▲	99.75
*Can. N. Ry. 4½	1 Sept. 1951	115.50	116.50	3.15	115.50
*Can. N. Ry. 4½	1 Feb. 1956	115.75	116.75	3.34	115.75
†Can. N. Ry. 4½	1 July 1957	114.00	115.00	3.48	113.50
*Can. N. Ry. 4¾	15 June 1955	117.75	118.75	3.40	117.75
Can. N. Ry. 5	1 Feb. 1954	117.75	118.75	3.58	117.75
*Can. N. Ry. 5	1 July 1969	118.00	119.00	2.88▲	118.00
*Can. N. Ry. 5	1 Oct. 1969	120.00	121.00	3.35▲	120.00
*M. Harb. C. 5	1 Nov. 1969	120.25	121.25	3.33▲	120.25

Provincial Government Bonds

Issue	Due	Bid	Asked	Approx. Yield	Bid
Eastern—					
N. Bruns. .. 4	1 June 1962	104.50	105.50	3.59	104.50
†N. Bruns. .. 4½	1 Sept. 1944	110.50	111.50	3.78	110.50
†N. Bruns. .. 5	15 May 1943	115.25	116.25	3.94	115.25
N. Scotia .. 3	15 Sept. '47-52	99.50	100.50	2.94	99.50
N. Scotia .. 4½	1 Mar. 1960	108.00	109.00	3.04	108.00
†N. Scotia .. 4½	15 Apr. 1961	110.25	111.25	3.32▲	110.25
†N. Scotia .. 5	15 Jan. 1960	117.50	118.50	3.82	117.25
*Ontario ... 4	2 Sept. 1945	107.00	108.50	3.50	107.00
*Ontario ... 4½	1 Sept. 1954	112.25	113.25	2.69	[illegible]
Ontario ... 4½	1 June 1950	111.50	112.50	3.37	111.00
*Ontario ... 4½	15 Jan. 1962	114.00	115.50	3.58	114.00
Ontario ... 5	15 Oct. 1948	115.50	116.50	3.35	115.25
*Ontario ... 5	2 Dec. 1960	121.00	122.50	3.61	121.00
Ontario ... 5½	1 July 1946	116.75	117.75	3.39	116.75
O. H. C. 3½-4-5	1 Oct. '36-52	101.50	102.50	4.25●	101.50
Ont. Hyd. C. 4¾	1 Jan. 1970	115.50	117.00	3.85	115.00
P. E. I. 3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec 4	15 Mar. 1952	107.25	108.25	3.33	107.25
Quebec 4½	1 Aug. 1958	110.25	111.25	3.52	110.25
Quebec 4½	2 Jan. 1963	111.50	113.00	3.73	111.50
Western—					
Alberta ... 4	15 Dec. '49-54	63.00	66.00	§	63.00
†Alberta ... 4	1 Dec. 1957	63.00	68.00	§	63.00
Alberta ... 4½	1 Oct. 1951	70.00	75.00	§	70.00
†Alberta ... 4½	1 Oct. 1956	64.00	69.00	§	65.00
†Alberta ... 5	1 Jan. 1948	66.00	70.00	§	66.00
Alberta ... 5	1 Sept. 1955	66.00	70.00	§	66.00
*Alberta ... 5	1 Oct. 1959	66.00	70.00	§	66.00
†Alberta ... 5½	1 Jan. 1947	67.00	70.00	§	68.00
Alberta ... 6	1 Mar. 1947	68.00	72.00	§	68.00
†Brit. Col. .. 4	1 Dec. 1957	83.00	87.00	4.90	83.00
*Brit. Col. .. 4½	15 Jan. 1951	89.00	92.00	5.28	88.00
†Brit. Col. .. 4½	1 Oct. 1953	88.00	91.00	5.29	87.00
†Brit. Col. .. 5	15 Jan. 1948	92.50	94.50	5.64	92.50
Brit. Col. .. 5	1 Sept. 1953	92.00	94.00	5.54	92.00
Brit. Col. .. 5½	1 Feb. 1945	93.00	95.00	6.26	93.00
Brit. Col. .. 6	15 Feb. 1947	95.50	97.50	6.32	95.00
Manitoba .. 4	2 Jan. 1950	92.00	94.00	4.58	92.00
†Manitoba .. 4	1 Dec. 1957	93.00	95.00	4.36	93.00
†Manitoba .. 4½	15 Dec. 1956	97.50	99.50	4.54	97.50
†Manitoba .. 5	15 June 1954	100.00	103.00	4.75	100.00
*Manitoba .. 5	2 Dec. 1959	104.00	107.00	4.52	104.00
Manitoba .. 5½	1 Oct. 1965	101.00	102.50	5.29	100.00
Manitoba .. 6	1 Apr. 1947	101.00	103.00	5.63	100.00
Sask. 4	15 Aug. 1953	78.00	80.00	5.84	79.00
Sask. 4	1 Nov. '55-60	77.00	79.00	5.82	78.00
*Sask. 4½	2 July 1945	90.00	94.00	5.35	90.00
†Sask. 4½	1 Oct. 1951	88.50	90.00	5.46	89.00
†Sask. 4½	15 Mar. 1960	86.00	88.00	5.38	87.00
Sask. 5	1 Aug. 1958	88.00	91.00	5.72	89.00
†Sask. 5½	15 Nov. 1946	90.00	93.00	6.43	92.00
Sask. 5½	1 Oct. 1952	90.00	92.00	6.28	91.50
Sask. 6	15 Mar. 1952	93.00	95.00	6.51	93.00

Municipal Bonds

Issue	Due	Bid	Asked	Approx. Yield	Bid
†Halifax ... 5	1 July 1961	113.50	115.00	4.04	113.50
Hamilton .. 5	1 May 1950	109.75	111.75	3.90	108.75
Montreal .. 5	1 Mar. 1945	100.50	102.00	4.72	100.50
Ottawa 4½	1 July 1945	110.50	112.50	2.91	110.50
†Quebec 5	1 June 1959	107.00	108.50	4.41	107.00
St. John 5	15 Dec. 1950	108.00	109.50	4.13	107.00
†Toronto 4½	1 Jan. 1955	112.50	114.50	3.45	112.50
Winnipeg . 5	1 Mar. 1944	100.00	103.00	4.53	100.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ■Payable in N.Y. §Traded flat.

Mining Stock Quotations

WEEK ENDED JULY 13, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
	.12	.04	Afton	42,100	.04½	.05	.04	.04½
No	.24	.07	Aldermac	223,455	.22½	.23½	.21½	.23½
1	.04½	.01½	Alexandria	73,500	.03	.03½	.03	.03
No	.12½	.08½	Algoma	23,500	.08	.08½	.07½	.08
No	5.55	4.10	Anglo-Huronian	2,065	5.50	5.50	5.20	5.20
1	1.60	1.15	Argosy	5,450	1.55	1.59	1.55	1.55
1	.97	.65	Arntfield	2,500	.85	.85	.82	.82
No	.12	.02	Arno	5,400	.06	.06	.05	.05
1	.30	.06½	Ashley	379,550	.21	.30	.19	.27
1	.06½	.02½	Astoria Rouyn	11,500	.05	.05	.04	.04½
1	.11½	.05½	Bagamac	23,000	.08	.08½	.7½	.07½
1	.10	.03½	Barry Hollinger	58,000	.05½	.05½	.05	.05
1	.40	.14	Base Metals	12,800	.15	.15	.14	.15
1	.65	.28	B.E.A.R.	34,000	.56	.57	.45	.57
No	1.84	1.20	Beattie Gold	17,700	1.40	1.38	1.32	1.35
1	.47	.30	Beaufor Gold	41,250	.36	.37½	.35	.37
	2.00	1.80	Bidgood Kirk.	39,469	.....	2.00	1.80	1.80
1	.76	.50	Big Missouri	8,892	.60	.65	.60	.63
1	.25	.13	Bobjo	229,000	.19	.25	.17	.22½
No	8.60	5.55	Bralorne	1,329	7.90	8.00	7.90	8.00
1	.40	.15	Brazil Gold	2,700	.22	.16	.15	.16
1	.13	.02	Brett Trethewey	30,400	.08	.10	.08½	.09
50c.	.25½	.09	B.R.X. Gold	10,800	.13	.17	.15	.15
1	.05	.01	Brownlee	17,700	.02	.02½	.02½	.02½
1	8.95	3.80	Buffalo Ankerite	10,355	8.00	8.95	8.00	8.35
No	.13	.02	Buffalo Can.	36,100	.07½	.07½	.07	.07
5	37.00	30.00	Bulolo Gold	1,277	31.00	31.25	30.75	31.25
	.13	.09½	Do., warrants	603	.10	.10½	.09½	.09½
No	.18	.06	Bunker Hill	8,520	.11½	.14	.11½	.13½
No	1.45	.95½	Can. Marlartic	30,750	1.12	1.21	1.10	1.11
1	.20	.19	Capital Rouyn	......	(.19 June 11)			
1	1.80	1.15	Cariboo Gold	1,425	1.70	1.80	1.70	1.79
1	.15	.02	Cartier Malartic	72,607	.11½	.12	.10	.11
1	1.69	1.24	Castle Trethewey	8,900	1.41	1.41	1.36	1.36
1	.53	.11½	Cen. Manitoba	201,100	.50	.52	.44½	.51
1	4.25	2.41	Cen. Patricia	20,975	3.95	4.15	3.95	3.95
No	.09½	.03½	Church M. & Mill	17,400	.06	.07	.05½	.05½
No	.14	.03	Clericy	59,400	.07½	.07½	.07	.07
5	4.50	2.25	Coast Copper	50	2.25	2.25	2.25	2.25
1	.03½	.01½	Cobalt Contact	7,500	.02½	.02½	.02½	.02½
5	4.25	2.80	Coniagas	700	3.50	3.35	3.35	3.35
No	2.75	1.80	Coniaurum	4,660	2.10	2.30	2.03	2.29
1	2.30	1.10	Con. Chibougamau	24,850	1.68	1.70	1.60	1.60
25	57.75	51.00	Cons. Smelters	2,933	54.00	54.25	53.50	54.00
No	61.25	41.75	Dome Mines	3,397	55.37	56.25	53.00	53.75
1	.07	.04½	Dom. Explorers	2,000	.05	.05	.04½	.05
1	.10½	.04	Duparquet	35,700	.04½	.05	.04½	.05
1	.72	.52	East Malartic	116,450	.54	.72	.52	.68
1	1.38	.88	Eldorado	13,950	.98	.99	.90	.94
No	9.50	6.90	Falconbridge	13,737	8.35	9.20	8.25	8.95
1	.10	.03	Federal	137,700	.08	.08½	.07½	.08½
No	.44	.12	Francoeur Gold	27,400	.14	.14	.12	.12
...	.40	.35	Glenora	62,050	.....	.40	.35	.35½
No	1.45	.75	God's Lake	33,485	1.20	1.24	1.12	1.15
1	.49	.14½	Goldale	27,400	.36	.39	.35	.35
50c	.56	.30	Gold Belt	1,550	.34½	.34	.32	.34
1	.26½	.06	Goodfish	32,400	.16½	.18	.16	.16½
1	.20	.03	Graham Bosquet	127,195	.16	.20	.16½	.18
1	.40	.17	Granada Gold	10,942	.25	.28	.25	.25
No	.13½	.05½	Grandora	24,500	.09½	.13½	.09½	.13
1	.73	.21	Greene Stabell	48,150	.54	.55	.51	.54
1	.09	.04	Grozelle	6,000	.05	.06	.05	.06
1	.12	.08	Grull Wihksne		(.08 bid .12 asked)			
1	1.20	.75	Gunnar Gold	40,225	1.14	1.14	1.10	1.10
1	.10½	.02	Halcrow Swayze	19,200	.08½	.09	.07½	.07½
1	3.20	.30	Hard Rock	124,695	2.50	2.65	2.45	2.50
1	.18½	.07	Harker	32,000	.12½	.14	.12½	.12½
5	17.25	13.50	Hollinger	5,091	15.75	15.75	15.12	15.50
1	.93	.55	Howey Gold	42,850	.80	.80	.78	.78
No	28.25	22.87	Hudson Bay	1,496	23.50	24.50	23.00	24.50
1	14.25	11.00	Inter Mining		(11.00 Apr. 28)			
1	4.50	4.10	Do., Pur. Warr.		(2.75 bid ... asked)			
No	54.00	43.50	Int. Nickel	16,160	49.87	50.75	49.37	50.12
1	.70	.28½	J. M. Cons. Gold	96,110	.59	.66	.59	.61
1	.65	.40	Kerr Lake	300	.55	.60	.60	.60
1	1.27	.30	Kirk. Hud. Bay	9,450	1.00	.98	.90	.90
1	.94	.40	Kirkland Lake	116,275	.59	.62	.58	.58
...	.12	.03½	Kirk. Premier		(.10 June 27)			
1	.31	.14½	Kirk. Townsite	8,200	.20	.23	.21	.22
No	.21	.03	Lake Maron	315,300	.17	.17	.15	.15
1	60.00	51.75	Lake Shore	2,401	58.50	59.75	58.50	58.75
1	.41	.05	Lamaque Contact	519,350	.35	.41	.34	.39½
1	1.38	1.03	Lava Cap G.	35,150	1.15	1.15	1.03	1.10
1	.29½	.12	Lebel Oro	35,149	.24	.24	.22	.22
1	.06½	.02½	Lee Gold	49,000	.04½	.04½	.04	.04
No	7.75	6.05	Little Long Lac	8,810	6.40	6.45	6.20	6.25
1	4.90	3.12	Macassa	21,630	4.40	4.65	4.35	4.40
1	.07	.01½	Malrobic	281,700	.05	.05½	.04½	.05½
No	.33	.12	Mandy	17,000	.27	.33	.27	.30
No	.25	.05½	Man. & Eastern	141,300	.20	.24	.19½	.23
1	.26	.05½	Maple Leaf	25,730	.22	.25	.21	.23
5	49.25	40.00	McIntyre	5,155	42.50	43.25	41.00	42.00
1	2.25	1.22	McKenzie R.L.	123,845	2.05	2.24	2.01	2.18
1	.65	.45	McKinley	50	.63	.63	.63	.63
No	5.00	3.50	McLeod Cockshutt	16,040	3.95	4.20	3.80	4.00
1	.14	.02	McMillan	58,100	.07	.07½	.06	.06½
No	1.78	1.19	McWatters	26,700	1.58	1.57	1.48	1.48
1	.42	.21	McVittie	10,850	.24½	.23½	.22	.22
5	1.50	.50	Mentor Exp. & Dev.		(1.01 bid 2.00 asked)			
No	1.50	1.10	Mining Corp.	1,395	1.30	1.35	1.28	1.35
No	1.00	.07½	Minto Mines	54,850	.61	.83	.62½	.70
1	.16	.06	Moffatt Hall	21,100	.10½	.11	.09	.09½
1	.80	.51	Morris Kirk.	37,150	.64	.68	.64	.65
1	.33	.06½	Moneta	6,500	.23	.24½	.20	.21½
1	.07½	.00½	Murphy	53,500	.05	.04½	.04½	.04½
No	.04½	.02	Newbec	36,601	.03½	.03½	.03	.03½
...	1.30	1.15	New Golden Rose	4,325	.....	1.30	1.15	1.20
1	.06½	.01½	Night-Hawk Penn.	42,600	.03½	.03½	.03	.03
5	3.05	2.30	Nipissing	2,080	2.40	2.40	2.30	2.40
No	59.50	44.50	Noranda	6,491	58.25	58.50	56.50	57.50
No	.63	.28½	Nor. Canada	4,200	.50	.57	.50	.53
1	3.30	.34	O'Brien	276,295	3.05	3.30	2.92	3.00
1	.80	.40	Omega	24,735	.66	.67	.64	.64
1	.18	.07	Osisko	5,600	.14	.16	.15	.15
No	5.20	3.50	Pamour	12,209	4.40	4.55	4.30	4.50
1	.31½	.18	Parkhill	107,800	.28½	.26½	.22	.24
1	.11	.02½	Pawnee Kirk.	58,566	.08½	.09	.08	.08
1	1.20	.50½	Paymaster	133,710	.99	1.10	1.00	1.02
1	1.20	.65	Pend Oreille	1,800	.75	.75	.65	.65
1	1.75	1.12	Perron Gold	61,785	1.29	1.45	1.30	1.36
1	.04½	.02	Peterson Cobalt	11,500	.02½	.02½	.02½	.02½
1	6.90	3.95	Pickle Crow	14,205	6.20	6.40	6.15	6.40
1	12.00	8.15	Pioneer Gold B.C.	5,535	8.50	8.80	8.25	8.25
1	.15	.04	Porcupine Crown	36,500	.08½	.09	.08	.09
1	2.50	1.80	Premier Gold	3,840	2.43	2.50	2.44	2.45
1	2.25	.21	Preston E. Dome	107,974	2.20	2.25	2.01	2.05
No	3.25	2.10	Prospectors Air's.	2,520	2.20	2.25	2.10	2.25
1	1.40	.70	Quebec Gold	8,397	.72	.72	.70	.70
No	.07½	.02	Quemont	......	(.05½ bid .08 asked)			
1	3.10	1.43	Read Authier	81,443	2.65	3.10	2.65	3.00
1	2.05	.50	Red Lake	184,795	1.63	2.05	1.62	2.05
1	1.35	1.00	Reno Gold	16,750	1.23	1.30	1.21	1.28
1	.13½	.01	Ritchie	53,500	.10	.10	.09	.09
1	.09	.04	Robb Montbray	35,300	.05½	.06	.05	.05½
1	.32	.05½	Roche Long Lac	254,490	.24½	.32	.24	.25½
1	3.45	2.16	San Antonio	13,561	2.35	2.37	2.30	2.33
1	1.15	.75	Shawkey	73,435	.80	.91	.81½	.86
50c.	.86	.56	Sheep Creek	4,700	.73	.70	.67	.70
	1.40	1.00	Sherritt Gordon	21,341	1.06	1.15	1.01	1.05
1	4.00	2.88	Siscoe	29,320	3.85	3.89	3.75	3.81
1	.64	.42½	Sladen Malartic	176,755	.51	.64	.52	.64
1	6.25	4.40	South Amer. Gold	......	(4.65 June 4)			
1	.08½	.03½	South Tiblemont	43,450	.07	.07½	.05½	.05½
No	.49½	.18½	Stadacona	66,085	.45	.47½	.45	.47
1	.38½	.18	St. Anthony	26,000	.31	.31	.26½	.26½
No	4.95	3.00	Sudbury Basin	12,198	3.90	4.65	3.95	4.30
1	.20	.06	Sudbury Contact	11,600	.18	.18	.16½	.16½
1	.07½	.03	Sudbury Mines	60,100	.04½	.04½	.03	.04
1	1.64	.83	Sullivan Cons.	203,507	1.40	1.64	1.41	1.59
1	3.10	2.25	Sylvanite	48,945	2.95	3.10	2.96	3.10
1	.68	.28	Tashota	6,300	.43½	.44	.40	.40
1	6.05	4.30	Teck Hughes	19,928	5.70	6.05	5.65	5.85
1	.73½	.37½	Thomp. Cadillac	85,020	.60	.72	.60	.60
1	.23	.02	Timiskaming	257,190	.18	.22	.18	.19
1	1.63	1.20	Toburn Gold	1,600	1.40	1.52	1.41	1.51
1	.45	.20	Towagmac	14,200	.39	.41	.38½	.41
1	.40	.20	Treadwell	......	(.... bid .40 asked)			
No	2.52	1.60	Ventures	76,580	1.95	2.19	1.90	2.13
No	1.35	1.00	Waite Amulet	2,950	1.05	1.10	1.00	1.09
50c.	.21	.09½	Wayside	63,750	.10½	.11	.10	.11
No	.05½	.03	White Eagle	13,300	.03½	.04½	.03½	.03½
1	.10	.03	Wiltsey Coughlan	10,500	.07½	.08½	.07½	.08
1	.09	.04	Wood Kirkland	7,000	.07½	.07	.06½	.07
No	9.00	7.55	Wright-Hargreaves	15,309	8.35	8.45	8.15	8.25
No	.71	.38	Ymir Girl	6,800	.49	.50	.45	.50
			OIL STOCKS					
No	.18½	.09½	Acme Gas & Oil	1,100	.11	.10½	.10	.10½
1	.70	.40	Ajax	1,925	.56	.63	.50	.57
No	1.60	.70	Calgary & Ed.	9,000	1.44	1.55	1.40	1.50
1	.18	.05	Calmont	6,100	.15	.15	.13	.13
No	.10½	.04	Common Pete.	......	(.... bid .07 asked)			
No	.78	.38	Dalhousie	7,052	.57	.62	.55	.60
No	.13½	.06	East Crest	1,000	.09	.08	.08	.08
No	.78	.30	Foothills	......	(.35 bid .... asked)			
No	.31	.13	High Sarcee	1,000	.26	.29	.29	.29
No	1.46	.70	Home	4,600	1.05	1.06	.99	1.03
1	.81	.11	Homestead O. & G.	85,925	.38½	.50	.36	.46
No	.15	.07	Lowery	2,000	.07	.15	.14½	.15
No	.24	.12	Merland	950	.15	.22	.22	.22
5	.26	.14	Nordon	8,200	.15	.15	.14½	.14½
No	.07	.03	Oil Selections	1,600	.04½	.04½	.04½	.04½
No	.15	.08	Olga Gas & Oil	32,900	.10	.10	.08½	.08½
1	.75	.52	Petrol Oil & Gas	......	(.65 bid 1.00 asked)			
No	39.75	26.25	Royalite	1,191	29.50	30.00	29.00	29.50
No	.20	.04	South West Pete.	800	.20	.20	.20	.20
No	2.50	1.71	Texas Can. new	6,880	2.05	2.15	1.95	2.05

VANCOUVER STOCK EXCHANGE

(Transaction for Week to July 13.)

Par Val.	Range 1936 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
25c.	.01	.00½	Bayview	......	(.25 bid .... asked)			
20c.	.05	.02	Beaver Silver	500	.02	.02	.02	.02
25c.	.01½	.01	Bluebird	......	(.00½ bid .... asked)			
No	8.55	5.60	Bralorne	3,586	7.80	8.00	7.80	7.90
1	.10	.02	Bridge River Cons.	7,800	.06½	.07	.06½	.06½
50c	.25½	.08½	B.R.X. Gold	48,950	.13½	.17	.14½	.15½
50c	.18	.12½	B.R. Mountain Gold		(... bid .17 asked)			
1	.54	.17½	B.C. Nickel	24,750	.33½	.37	.32	.34
1	2.75	1.50	B.C. Silver		(2.25 June 29)			
50c	.12½	.04	Canadian Rand	4,750	.12½	.12	.10	.10
1	1.80	1.15	Cariboo Gold	1,890	1.70	1.80	1.65	1.70
1	.30	.12½	Congress Gold	49,200	.17	.17	.13	.14½
25c	.00½	.00½	Cork Province	500	.00½	.00½	.00½	.00½
1	.04	.02	Cotton Belt		(.02 June 24)			
1	.03½	.01	Dalhousie Mines	1,000	.01	.01½	.01½	.01½
No	.36	.17	Dentonia	52,900	.18	.21½	.17½	.19
No	.08½	.02	Dictator	6,000	.03½	.03½	.03	.03
1	.07	.03	Dunwell	1,000	.04	.03½	.03½	.03½
No	.09½	.03	Fairview Amal.	16,450	.04	.04½	.04	.04½
50c	.62	.35	Fawn Mining	12,100	.62	.62	.59	.60
1	.18½	.03½	Federal Gold	39,000	.06½	.07½	.06½	.06½
1	.25	.20	George Copper		(... bid .20 asked)			
50c	.05½	.02½	George Enterprise		(... bid .04 asked)			
1	.02½	.01½	Georgia River	2,000	.01½	.01½	.01½	.01½
50c	.02½	.01	Glacier Creek		(.01 bid ... asked)			
1	.24	.09	Golconda	1,500	.11	.10	.09	.09
50c	.54	.29	Gold Belt	5,100	.33	.34	.33	.34
50c	.18	.05	Gold Mountain	27,900	.12	.12	.10	.12
50c	.04½	.02	Grandview	2,500	.02	.03	.02½	.03
No	.07½	.02	Grange Mines	6,550	.02	.02½	.02½	.02½
1	.11½	.07	Grull Wihksne	3,700	.09	.10	.09	.10
No	.05½	.02½	Haida Gold		(.02½ bid ... asked)			
50c	.32	.15	Hedley Amal.	11,300	.18	.19½	.16	.18
No	.05	.03	Hedley Sterling		(... bid .03 asked)			
No	.08	.02	Home Gold	40,100	.04	.04½	.04	.04
1	.02	.00½	Independence		(.00½ bid ... asked)			
1	.03	.02	Indian Mines	1,000	.02½	.02	.02	.02
50c	1.82	.95	Island Mountain	8,350	1.64	1.65	1.58	1.58
1	.21	.18	Inter'tl Coal	1,000	.20	.20½	.20½	.20½
...	.10½	.08½	Inter'l Gold	7,000	.10	.10	.08½	.09
50c	.72	.30	Kootenay Belle	4,000	.65	.65	.64	.64
20c	.00½	.00½	Koot. Florence	500	.00½	.00½	.00½	.00½
25c	.00½	.00½	Kootenay King		(.00½ bid ... asked)			
25c	.00½	.00½	Lakeview		(.00½ bid .00½ asked)			
10c	.02½	.01	Lucky Jim	1,500	.01½	.01½	.01	.01½
No	.14½	.03½	Mak Siccar	23,000	.03½	.04½	.03½	.04½
50c	.00½	.00½	Marmot Metals		(.00½ June 24)			
1	.20	.12	McGillivray Creek	8,000	.17	.17	.17	.17
50c	.14½	.06½	Meridian Min.	5,160	.08	.08½	.08	.08½
No	.94	.07	Minto Mines	261,750	.62	.77	.61	.68
50c	.05	.02	Morning Star	12,200	.02½	.02½	.02½	.02½
1	.01	.00½	Morton Woolsey		(.00½ bid .00½ asked)			
25c	.03½	.02	National Silver	2,000	.02½	.02½	.02½	.02½
50c	.22½	.07½	Nicola	342,250	.12½	.22½	.14	.22
50c	.05½	.02½	Noble Five	3,550	.02½	.03	.02½	.03
No	.08	.02	Pilot Gold	25,150	.06	.07	.05½	.07
1	11.85	8.30	Pioneer Gold	2,710	8.60	8.60	8.40	8.40
50c	.07	.04	Porter Idaho	3,000	.04½	.04½	.04½	.04½
No	.01½	.00½	Premier Border	1,000	.01½	.01	.01	.01
1	.02	.01	Quatsino Copper		(.01 bid .02 asked)			
25c	.13½	.05	Quesnelle Quartz	54,800	.06	.13	.07	.12½
50c	.05	.04	Red Hawk		(.04 June 19)			
.01	.09½	.05½	Reliance	53,114	.06½	.07½	.06½	.06½
1	.48	.26	Relief Arlington	6,700	.31	.34	.31½	.33
No	.12	.05	Reeves McDonald		(.06 bid ... asked)			
1	1.38	1.00	Reno Gold	3,915	1.21	1.29	1.22	1.24
1	.15	.02	Reward Mining	14,500	.06½	.07	.06	.06
1	.01	.00½	Rufus Argenta		(.00½ bid ... asked)			
1	.03	.01	Ruth Hope	400	.01½	.01½	.01½	.01½
1	.15	.08	Sally Mines	2,500	.11	.09½	.08	.08
50c	.13½	.08	Salmon Gold	2,400	.10½	.10½	.10½	.10½
50c	.79	.55	Sheep Creek	14,800	.70½	.69	.65	.69
25c	.01½	.00½	Silvercrest	14,000	.00½	.00½	.00½	.00½
20c	.02½	.01	Silversmith		(.00½ bid .01 asked)			
50c	.00½	.00½	Snowflake		(.00½ bid ... asked)			
1	.54	.42	Standard Silver	100	.43	.42	.42	.42
10	24.25	16.50	Sunshine		(16.50 June 16)			
No	.24	.07½	Taylor Bridge	4,750	.10	.10	.09	.09
1	.27	.07	Taylor Windfall		(.15 bid ... asked)			
50c	.05½	.01½	United Empire	9,600	.05½	.05	.04	.04
No	1.88	.65	Vidette Gold	6,400	1.26	1.36	1.30	1.30
No	.08½	.00½	Viking Gold	18,000	.02½	.02½	.02½	.02½
No	.06½	.01	Waterloo Gold	2,500	.04	.04	.04	.04
50c	.01½	.00½	Waverley Tangier	8,000	.00½	.01	.00½	.00½
50c	.20½	.09½	Wayside	5,500	.10½	.10½	.10½	.10½
20c	.01½	.01	Wellington		(.00½ bid ... asked)			
...	.22	.19	Wesko	18,700	.19	.22	.20½	.21
1	.06½	.03	Whitewater	1,050	.03½	.03½	.03	.03½
No	.69	.42	Ymir Yankee Girl	900	.48	.50	.48	.48
			OIL STOCKS					
1	.21	.09	Alta. Pac. Cons.	3,850	.12	.15	.15	.15
1	.15	.05	Amalgamated	20,900	.11½	.14	.12	.13
1	.09	.02½	Anaconda	17,600	.06	.06½	.06	.06½
No	.05	.02	Baltac		(.03 bid ... asked)			
1	.43	.09½	Brit. Dominion	9,000	.29½	.28½	.26½	.27
1	.14½	.05	Crow's Nest	33,900	.12½	.14½	.12	.13½
No	.05½	.03	Devenish		(.03½ bid .04 asked)			
No	.12½	.04½	Freehold	11,500	.08	.08½	.08	.08½
No	.09½	.04	Hargal	900	.00	.08½	.07½	.07½
No	.33	.13	High Sarcee	23,800	.29	.29½	.27	.29
No	.03	.01	Madison	1,000	.01½	.01½	.01½	.01½
No	.25	.11½	Marjon Oil	22,100	.22	.23	.21	.21
No	.14½	.05½	McD. Segur Ex.	10,930	.10	.10	.09½	.09½
1	.40	.20	McLeod	2,556	.38	.39	.36	.39
No	.18½	.11½	Mercury	15,600	.12½	.12½	.11½	.12
No	.15	.08	Mill City Pete.	3,400	.11½	.12	.11	.12
...	.29	.20	Model	1,500	.25	.24½	.23	.23
No	.25	.04	Okalta	13,400	.18½	.19½	.18	.18½
No	.09½	.04½	Pacalta Oil	24,500	.06½	.06½	.06	.06½
1	.83	.40	Ranchmen's	2,250	.45	.45	.40	.40
1	.27	.18	Spooner		(.22 bid ... asked)			
No	.09½	.05	United	1,600	.06½	.07	.06	.07
No	.10½	.05	Vanalta		(.05½ bid ... asked)			
1	.65	.10	Vulcan	2,080	.40	.49	.47	.40
1	.08½	.07	Wellington Oil		(... bid .08 asked)			

Corporation Bonds

Supplied by Bond Traders' Association.
July 14, 1936

Public Utility Issues:	Int. Rate %	Due	Bid July 14	Asked July 14	Bid July 7
*Ass. Tel. & Tel.	5½	'55	88	91	88½
‡Avalon 'Phone.	5½	'48	101	103	101
Beauharnois P.	5	'73	33½	36½	30½
Do. L. H. & P.	5½	'73	95½	98½	95
*Bell T'phone	5	'55	115½	118½	116
*Do.	5	'57	..	..	119½
†B. C. Power	5	'60	105	108	105
†Do.	5½	'60	106	109	106
†B. C. T'phone.	5	'60	107	110	107
*Calgary Power	5	'60	99½	102½	99½
*Do.	5	'64	94	97	95
†Can. Nor. Pwr.	5	'53	103	106	103
*Dom. Gas & El.	6½	'45	92	95	92½
*Gatineau Pr.	5	'56	98	101	97½
*Do., A	6	'41	94½	97½	95½
*Do., B	6	'41	93½	96½	94½
*Int'l. Hydro	6	'44	48½	51½	46½
*Int'l. Pwr.	6	'57	96½	99½	96½
*Do.	6½	'57	99	102	99
‡Do.,	6	'55	100	..	..
†Maclaren-Que.	5½	'61	80	83	79½
†Do.	5½	'64	78	81	78½
†Mtl. Island Pr.	5½	'57	..	..	104
†Mtl. L. H. & Pr.	3½	'56	100	103	101
†Montl. Tram.	4½	'55	79	82	79
†Do.	5	'41	102	105	102
†Do.	5	'55	83½	86½	82
Nfld. L & P.	4½	'56	99½	..	99½
Nat'l. L. & P.	6	'49	98	101	97½
†N.S. L. &. P.	5	'58	105½	108½	105½
N.S. L. & P.	5	.65	102	..	..
†Ottawa Light	5	'57	107½	..	107½
†Ottawa Tract.	5½	'55	100½	103½	100
†Ottawa Val. Pr.	5½	'70	75	78	77
†Power Corp.	4½	'59	96	99	96½
*Quebec Pr.	5	'68	105½	108½	106
Saguenay Pr.	4½	'66	102½	105½	101
§Do.	4½	'66	..	..	..
†Shawinigan	4	'61	97½	100½	97½
†Do.	4½	'70	103½	106½	103½
†South Can. Pr.	5	'55	105	108	105
†United Secs.	5½	'52	84	87	83
†West. Pwr. Co.	5	'49	105½	..	105½
*Winnipeg Elec.	4½	'60	103	..	103
*Do.,	6	'54	86½	89½	83½
Industrial and Realty Issues:					
†Abitibi Pwr.	5	'53	55½	58½	55½
Acadia Sugar	4½	'55	101½	..	101
†Alta. P. Grain	6	'46	97	100	98
Asbestos Corp.	5	'42	102	..	106
Balfour Bldg.	6	'34	38½	41½	39
B. A. Oil	4	'45	104	107	104
Burns & Co. (Bundles)	5	'58	78	81	78
Can. Bread	6½	'41	109	112	109
†Can. Cement	5½	'47	106	109	105½
†Can. Paper	6	'45	..	..	103
†Can. Ss.-Lines	5	'43	103	..	103
†Do.	6	'41	55½	58½	55
Can. Atl. Rlwy.	4	'55	..	..	..
Can. Canners	6	'50	97½	100½	97½
Can. Bakeries	6½	'45	88½	..	88½
*Can. Int. Paper	6	'49	93	96	92½
C. P. R.	3½	'51	95½	98½	95
Do.	4	'49	103	106	103
Do.	4½	'44	100	103	100
Can. Rail & H.	6½	'51	63	..	62½
†Can. Vickers	6	'47	91	94	91
†Cons. Paper	5½	'41	49	52	49
*Dom. Coal	6	'55	96½	99½	96½
Dom. Sq. Corp.	6	'48	..	..	54
‡Dom. S. & C.	6½	'55	61	64	58
†Dom. Tar	6	'49	104	107	104
Dom. Textile	4½	'55	105½	..	105½
†Donnacona P.	5½	'48	85	88	85½
†Do.	3-4-4½	'56	72½	75½	..
†East. Dairies	6	'49	..	..	82
†Fam. Players	4½	'51	97	100	97
†Federal Grain	6	'49	99	102	100
†Fraser Cos., new	6	'50	98	..	96½
†G. Steel Wares	6	'52	103	106	102½
Godfrey Rlty.	6	'42	40	45	..
*Gt. Lakes Pwr.	6	'50	56	59	54
†Gypsum, Lime	5½	'48	98½	101½	98
†Gr. Br. & Can. Invest.	4½	'59	..	..	81½
Ham. Cottons	5½	'48	102½	105½	102½
*Ham. B.-P. C.	5	'50	97½	100½	98
*Hinde & Dauch	5½	'48	102½	105½	102½
†Inter. Paper	6	'53	..	..	85½
†Int. P. & P. N.	5	'68	103	106	103
Inter. City Bak.	5½	'48	103	..	103
Inter-City W. B.	6½	'50	36	39	36
†Kingston Elev.	6	'50	93½	96½	94
†Lake St. John P. & P.	6½	'47	112	115	112
†Do.	6	'42	79	82	80
†Lon. Can. Inv.	4½	'48	89½	92½	89½
†Maple Leaf M.	5½	'49	54½	57½	52½
†Massey Harris	5	'47	89	92	88½
†McColl-Front.	6	'49	105	108	105
†Mercury Mills	5½	'53	57	60	56
†Mersey Paper	6	'49	96	..	96
*M. & O. Paper	6	'45	43½	45½	43½
Mont. D. Docks	6	'48	..	82	79
Nat. Grocers	4	'36-47	..	..	101
Nor. Ont. Bldg.	6½	'39	94½	97½	94½
Ontario Bldg.	6½	'43	30	34	30
*Prov. Paper	5½	'47	100½	103½	100½
Queen's Hotel.	6	'47	93½	..	93½
*Reliance Grain	5	'48	103½	..	103½
†Restigouche	6	'48	104½	107½	103
Rich. B. Bldg.	6½	'47	100½	..	100½
†Rolland Paper	5½	'48	..	..	104½
Ruddy & Co.	6½	'48	98½	101½	99
†Simpsons Ltd.	6	'49	105	108	104½
†Smith, Howard	5½	'53	106	109	105½
†Steel of Can.	6	'40	113	..	113
Sterling Coal	6	'40	86½	89½	86½
Stop & Shop	6	'47	..	53	..
Twin City Rapid Tr'sit.	5½	'52	..	..	82½
United Amuse.	5	'56	98½	101½	98½
United Corp.	5	'53	95	..	94½
Unit. Grain G.	5	'48	97½	100½	97½
Do.	5½	'49	102½	..	102½
Union Gas	4½	'43-50	97½	100½	97
Windsor Hotel	6½	'43	..	..	55
Zimmerknit	6	'51	98	101	98

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Mining Dividends

	Rate	Close July 13	Yield %
Anglo-Huronian	20c	5.20	..
Beattie Gold	†5c	1.35	..
Bralorne	20c+5c	8.00	..
Buff. Ankerite	20c	8.35	2.4
Bulolo Gold	‡$1.40	31.25	..
Cariboo	10c	1.79	5.5
Central Patricia	†4c	3.95	..
Coniagas†	12½c	3.35	..
Cons. Smelters	50c	54.00	..
Dome Mines	$2+$2	53.75	7.4*
Falconbridge	30c	8.95	3.3
Hollinger	65c+15c	15.50	5.1*
Howey Gold	5c	.78	..
Hudson Bay	$1	24.50	..
Island Mountain	‡5c	1.64	..
Int. Coal & Coke‡	1c	.20	..
Inter Mining	60c	11.00	5.4
Int. Nickel, c.	$1.20	50.12	2.4*
Kerr Lake	5c	.60	..
Kirk. Lake‡	3c	.58	..
Lake Shore	$4	58.75	6.8
Little L. Lac	10c	6.25	..
Macassa	15c	4.40	..
McIntyre	$2	42.00	4.7
McKenzie R. Lake	†3c	2.18	..
McKinley Sec.	2½c	.63	..
McWatters Gold†	5c	1.48	..
Nipissing	25c	2.40	..
Nor. Can. Mining	2c	.53	..
Noranda	‡$1.25	57.50	2.1
Pickle Crow	10c	6.40	..
Premier	12c+1c	2.45	5.3*
Pioneer, B.C.	80c	8.25	9.7
Reno	12c	1.28	9.3
Stand Silver	1c	.43	..
San Antonio	21c	2.30	8.7
Sheek Creek	†2c	.70	..
Siscoe	20c	3.81	5.2
So. Amer. Gold	30c	4.65	6.4
Sylvanite	20c	3.10	6.4
Teck-Hughes	40c+5c	5.85	7.7*
Toburn	8c	1.51	..
Ventures	†2½c	2.13	..
Wright-Har.	40c+20c	8.25	7.3*
Ymir Yankee	†2c	.50	..

‡Interim. †Initial. *Yield includes bonus.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 14, 1936	Bid	Asked
INDUSTRIAL STOCKS:		
Acadia Sugar, com.	4.35	4.50
Do., pfd.	4.75	5.00
Acme Farmers Dairy, pfd.	35.00	....
Algoma Steel, new pfd.	56.00	59.00
Andian National	47.50	48.50
Assoc. Tel. & Tel., pfd.	53.00	....
B. C. Pulp & Paper, pfd.	10.00	....
Burns & Co., A	10.00	11.00
Do., B	5.25	6.00
Canada & Dom. Sugar	59.00	60.00
Canada Paper, pfd.	110.00	115.00
Canada Starch, pfd.	92.00	98.00
Canada Tea, pfd.	30.50	....
Can. Tube, 1st pfd.	47.00	....
Can. Wire & Cable, pfd.	106.00	108.50
Can. Industries, A com.	214.00	....
Do., B com.	213.00	217.00
Do., pfd.	159.00	....
Can. Ingersoll Rand	100.00	110.00
Can. Westinghouse	[illegible]	[illegible]
Chase, A. W., pfd. bonus	25.00	26.00
Claude Neon, pfd.	2.75	3.25
Conduits Nat., new com.	2.50	3.25
Dom. Found. & Steel, com. (new)	48.00	....
Do., pfd. (new)	93.00	....
Dom. Rubber, pfd.	98.00	101.00
Dunlop Tire, pfd.	83.00	....
East Dairies, pfd.	10.00	11.50
Edmon. City Dairy, pfd.	60.00	....
Federal Grain, com	2.25	2.75
Do., pfd.	....	55.00
Goderich Elevator	9.00	10.00
Greening Wire, pfd.	105.50	107.00
Guelph Carpet, pfd.	105.25	108.50
Do., com	16.75	17.50
Highland Dairy, com.	3.25	....
Do., pfd.	80.00	....
Inter. City Bak., com.	27.00	30.00
Inter. Met. Indust., A pfd.	43.50	....
McLaren Power, com.	11.50	12.50
Mercury Mills, pfd.	10.00	12.50
N. Meth. Laund., pfd. bonus	80.00	83.00
Ont. Tobacco Plant. pfd.	30.00	35.00
Prov. Paper, pfd.	102.00	103.00
Reliance Grain, com.	4.50	6.00
Do., pfd.	....	80.00
Rob. Consol. Cone	8.50	9.25
Ruddy, E. L., pfd.	37.00	40.00
Silverwood's Dairies, pfd.	52.50	....
Stand. Fuel, pfd. bonus	105.00	107.00
Supertest Petroleum, B pfd.	27.00	29.00
Toronto Carpet, pfd.	37.50	40.00
United Steel, A pfd.	6.25	6.75
West. Grain, pfd. bonus	....	16.50
Willards Chocolates, pfd.	17.00	....
TRUST & LOAN STOCKS:		
Chartered Trust	83.00	86.00
Guelph Ont. Inv., par $50	47.50	52.00
London & West. Trust	58.00	60.00
Premier Trust	....	....
Sterling Trust	36.50	....
Traders Fin. Rts.	10.25	....
Do., B pfd. bonus	82.00	85.50
Trusts & Guarantee	31.00	....
Waterloo Trusts	97.50	....
INSURANCE STOCKS:		
British America	47.00	....
Canada Life	525.00	535.00
Canadian Fire	74.00	78.00
Can. Ins. Shares	....	....
Confed. Life 20% pd.	115.00	117.50
Cont. Life 20% pd.	38.00	41.00
Crown Life	150.00	....
Dominion Fire	115.00	130.00
Domnion Life 50% pd.	260.00	300.00
Dom. of Can. Gen. Ins.	121.00	130.00
Empire Life 25% pd	7.00	9.00
Excelsior Life 30% pd.	72.00	....
Federal Fire 25% pd.	39.50	....
Fidelity Ins. of Can.	45.00	....
Great West Life	380.00	400.00
Guar. of N. A. fully pd.	251.00	....
Halifax Fire	23.00	24.00
Imperial Life	355.00	....
Manufacturers Life	262.00	267.00
Monarch Life 10% pd.	20.50	21.50
National Life 25% pd.	....	47.00
Sovereign Life 25% pd.	17.75	18.75
Sun Life	475.00	490.00
Toronto General	4.25	5.00
Western Assur., com.	43.00	....
Do., pfd.	41.00	45.00
THEATRE STOCKS:		
Allens Beach, pfd.	61.50	65.00
Do., Calgary, com.	5.00	6.75
Do., Kingston, pfd.	60.50	....
Do., Parkdale, pfd.	59.50	....
Do., Toronto, pfd. bonus c.	33.50	....
Eastern Theatres, com.	4.50	5.50
Do., pfd.	76.00	81.00
Loew's London, pfd.	2.25	3.00
Do., Toronto, pfd.	111.00	....
Mansfield Theatre, pfd.	29.50	....
Paramount Kitchener, pfd.	46.50	....
Do., Oshawa, pfd.	90.50	....
United Amusement, A	17.00	20.00
Do., B	15.25	17.00
INVESTMENT TRUST SHARES:		
Can. Gen. Invest.	8.10	8.25
Can. Investors Corp.	7.50	8.00
Can. Int. Inv. Trust Units	58.00	....
Cons. Div. St. Sec. Units	14.00	15.00
Debenture & Sec., pfd.	63.00	....
Dom. Scottish Inv. Units	34.50	37.00
For. Power Sec., pfd.	7.50	10.00
Invest. Found. Units	50.50	51.50
Sec. Holding Units	24.00	26.00
United Corpns., A	22.00	23.00
Do., B	7.00	8.00
POWER ISSUES:		
Calgary Power, pfd.	83.00	85.00
Can. Light & P., com.	20.00	22.50
Can. West. Nat. Gas, pfd.	93.00	95.00
Do., com.	23.50	25.00
Great Lakes Pwr., pfd.	90.50	93.00
Inter. Util., pfd.	86.00	....
Nor. Ont. Power, pfd.	101.00	103.25
Nova Scotia L. & P., pfd.	102.25	103.50
Do., com.	84.50	86.00

Unlisted Mines

July 14, 1936	Bid	Asked
Albany River	.65	.67
Algold	.42	.44
Ardeen	.20	.23
Area	.05	.05½
Arrow Head	.35	.38
Athabaska	..	.20
Athona (Gt. B. L.)	.46	.49
Bailor	.04½	.05
Bankfield Gold	.72	.75
Big Master	.53	.56
Bilmac	.32	.33½
Blue Star	.29	.31
Bousquet Gold	.13½	.14
Big Long Lac	.08	.10
Brae Breest	.15	.16
Callinan Flin Flon	.15	.16½
Can. Kirkland	.03	.03½
Captal Rouyn	.27	.29
Casey Contact	.05½	.06½
Casey Summit	.26	.29
Central Porcupine	.53	.55
Chromium	2.07	2.15
Coin Lake	.21	.23
Columario (new)	.02½	.03
Cons. Goldfields	.33	.35
Cuniptau	...	.33
Cripple Creek	.95	.98
Darwin	.74	.79
Dunlop (new)	.11	.12
Dorval Siscoe	.31	.34
Elmos	.47	.49
Empire	.26	.28
Franklin	..	.03
Frontier R. Lake	.17	.18½
Gateway Pat.	.23	.26
Gilbec	.06	.07½
Gillies Lake	.50	.55
Gold Eagle	1.85	1.90
Goldside	.22	.24
Golden Crest	.20	.23
Golden Gate	.33	.36
Gordon Lebel	.34	.37
Horseshoe	.06	.06½
Hudson Patricia	.26½	.28
Jellicoe	.17	.18
Johnson Nipigon	.05	.06
Kaw Crow	.21	.24
Kerr Addison	.32	.34
King Kirkland	.07	.07½
Lafayette L. Lac	.04¾	.05¼
Lamaque	6.00	6.10
Lapa Cadillac	.36½	.39½
Leitch Gold	.64	.64
Long Lac Lagoon	..	.11
Madsen Red. L.	.54	.57
Manitoba Basin (new)	.06	.07
Magnet Lake	.11	.13
Martin McNeely	.74	.77
Matachewan Can.	.14	.15
May Spiers	.40	.41
Map Spiers	.43	.45
Matalac	.23	.25
McCarthy Webb	.31	.33
McLellan	.31	.34
Mosher	.48	.51
Moffatt Hall	.10	.10½
Moffatt Hall (new)	.35	.38
Montague	1.33	1.38
Murmac	.11	.14
North Shores	.03½	.04½
Oklend	.35	.38
O'Leary	.16	.17
Opemiska	1.40	1.50
Oriole	.09	.10
Paulore	.30	..
Porcupine Gold R.	.06	.05¾
Proprietary M.	.40	.43
Queen Lebel	.13	.14
Regal Kirk.	.42	.44
Ricard Ramour	.68	.70
Rice Lake	.10	.11
Richmac	.25	.27
Rubec	.15	.16
Sand River	.30	.33
Skookum	.35	.38
Smelter Gold	.08	.09
South Keora	.13	.15
Spooner	.26	.28
Springer	.08	.09
Sturgeon R. Gold	.40	.45
Wendigo	.20	.23
W. Red Lake	.08	.08½
West Side L.	.25	.29
White Horse	.20½	.22½
Wilson R. Lake	.24	.27
Winoga	.31	.34
Young Davidson	.23	.25
Young Shannon	.17	.19

Listed Bonds

Week Ended July 13, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	5	'70	[illegible]	[illegible]	[illegible]	[illegible]

Bank Chat

Personal Loans

The Bank of Commerce personal loan service is rapidly taking on a national aspect. Originally confined to Toronto and Hamilton, the scheme was very shortly afterwards extended to include all Ontario branches. At the beginning of this week, Quebec province was linked up. By next week, it is expected the western provinces will also be served.

Plans in the West call for central offices in Winnipeg, Calgary and Vancouver. The first of these will handle the business for Manitoba and Saskatchewan; the other 2 the provinces in which they are located.

Officials of the bank state experience with the scheme thus far has been quite satisfactory, although it is yet too early to pass final judgment. It is expected the project will be classed in the experimental stage for possibly a year. The main problem, of course, is that of obtaining sufficient volume of loans to meet the high overhead expenses.

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French Nationalization

Modification of plans for nationalization of the Bank of France is particularly interesting in view of the denunciation of the present set-up during the elections. Socialist orators likened the central financial institution to the Bastille and referred to the election as the storming of that historic structure.

Organization of the bank renders it particularly susceptible to this form of attack. There are some 40,000 shareholders, but only the first 200—those with the largest holdings—are entitled to any measure of control. These 200 elect the 15 regents who govern the bank practically without restriction. The fact that the regents are wealthy bankers and industrialists, affiliated with a large number of the country's enterprises, has added to the belief among more radical elements that the bank was operated in favor of the so-called "upper strata."

The change in plans for thorough nationalization, to a scheme where the regents will still have a measure of control, would appear to indicate a realization of the necessity of utilizing the experience of those who have been successful in various lines of endeavor.

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RFC Loan Rates

Reduction of loan rates by the Reconstruction Finance Corporation in the United States has aroused considerable speculation as to whether it portends active competition by the government in the banking business or whether it is aimed to assist liquidation of debts to the RFC. The latter development would indicate the administration's desire to withdraw from the lending business.

The corporation's action has been anticipated for some time as a measure to induce further business recovery. Whether the lower cost of money will tempt industrialists to embark upon expanded operations, time only will tell. In any event it will substantially lower the burden on those business, financial and farm organizations which have borrowings from the huge government lending enterprise.

Bank of Canada Weekly Statement

Note circulation of the Bank of Canada jumped $3.3 millions to $99.1 millions in the week ended July 8. This was the largest individual change of the week, although deposits, both bank and government, eased, and there was a relatively small switch in investments from long into short term issues.

Balance Sheet

Liabilities	July 8 $	June 30 $
Capital paid-up ...	5,000,000	5,000,000
Notes in circ.	99,064,194	95,763,637
Rest fund	173,092	173,092
Dep. Dominion	15,988,334	17,878,486
Banks	186,577,162	189,462,975
Other	712,590	326,168
Total deposits	203,278,086	207,667,629
All other liabs.	2,188,625	2,419,419
Total liabs.	309,703,997	311,023,778
Assets		
Reserve: Gold ...	179,848,713	179,991,978
Silver bullion ...	1,775,602	1,729,217
Res. in sterling ..	787,536	262,206
Res. in U. S.	9,172,129	9,497,902
Res. elsewhere ..	56,731	3,707
Total reserve	191,640,711	191,485,010
Subsidiary coin	228,618	231,536
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short.	28,552,184	28,049,400
Other Dom. govt..	82,944,399	83,637,816
Total invest.	111,496,583	111,687,216
Premises	209,436	206,651
All other assets ...	3,128,649	4,413,364
Total assets	309,703,997	311,023,778
Reserve ratio	63.38%	63.10%

Staff Changes

The Canadian Bank of Commerce has announced the following changes in staff:

J. SOMERVILLE, formerly assistant manager at Ottawa, to be manager at Philips Square, Montreal.

J. P. WATSON, formerly assistant inspector, head office, to be assistant manager at Ottawa.

The Bank of Nova Scotia has made the following appointment:

W. HAYWARD, to be manager at New Carlisle, Que.

Various Forms Change Effect Of "Inflation"

Present Type Attributed to Increase in Money Supply

PREDICTIONS WRONG

Lack of proper definition is to blame for the seeming paradox of inflation, contends Richard Dana Skinner in a most interesting article in the Atlantic Monthly for July. Instead, he says, of having the dire results predicted by monetary authorities—driving down bond values, shrivelling savings, and so on—inflation has had almost the exact opposite effect. Interest rates have been cut drastically and bond prices have soared. What is the explanation?

The main reason, Mr. Skinner explains, is the failure to properly explain terms. Instead of one he contends that there are no less than 4 distinct types of inflation.

Sees 4 Types

The first is a period in which the total quantity of money—bank deposits plus currency—rises faster than the gold reserves behind it.

The second is when currency itself rises faster than its gold backing.

The third—a less technical form is when debts are piling up against dwindling resources. A man in this unhappy position realizes very clearly that he is becoming overextended or inflated. When an entire country is in that fix, there is an acute case of national inflation.

The fourth type—that which Mr. Skinner states appears to work upside down because it raises bond prices, lowers interest rates and at the same time permits rising stock markets—is inflation in the supply of money. In other words, the supply of money is increased with no corresponding increase in demand. The natural consequence is a lowering of its cost.

It is this fourth type that has been experienced over the last 4 years. Revaluation of gold—plus, in the United States, an influx of the yellow metal—has bulked large in actually increasing gold backing of both currency and also of currency plus bank deposits. Thus the first 2 types of inflation are not in evidence at present.

Offsetting Feature

In view of the publicity given the increasing burden of government debt, more detailed consideration is called for by the third form. According to Mr. Skinner, it takes 2 to make an inflation—the government and the public. "When they move in opposite directions," he says, "the actions of one offset the actions of the other; and if the public deflates more rapidly than the government inflates, then the sum total is still deflation."

This, he claims, is what has happened in the United States. On the premise that it is fair to take bank loans and federal debt as a good estimate of the trend of total indebtedness, he calculates that in the last 6 years bank loans have dropped $21 billions while the federal debt had increased $17 billions. The annual interest bill had declined even more in proportion. Against a total of $2,838 millions in 1929, Americans were paying out only $1,740 millions in 1935. In other words, principal debt had dropped 7.7% and interest payments 38.7%.

National Wealth Also Lower

On the other hand, of course, valuation of national wealth has dropped considerably. Mr. Skinner's estimate is 13%. He therefore concludes that since debt has dropped only 7.7% there is relatively more "overextension" than in 1929. But so far as current annual obligations, or interest charges are concerned, there is far less overextension or inflation than in 1929. In other words, national income is lower, but there is a larger percentage of it left over after payment of all annual charges.

An irrefutable indication that the fourth type of inflation—that of money supply—is existent, is afforded by the deposit and loan figures of the banks. Deposits have shown marked increase during the depression. Loans on the other hand have dwindled away to a mere shadow of their former total. Thus the margin between the 2 has widened very substantially. Mr. Skinner estimates that the average depositor owns, free and clear, more than 3½ times as much money in the bank as in 1929. It is this greater supply of effective money which has had such a bearish effect on interest rates.

Mistaken Identity

Mr. Skinner concludes "we do have an inflation, but not of the kind with which so many eminent souls were scaring the unhappy layman a year ago and 2 years ago. We have simply turned more of our assets into money and thereby cut borrowing costs, whereas the prophets of doom, without defining their terms, and without figuring the offset between rising Federal debt and declining bank loans, were describing the horrific results of exactly the opposite process by which we turn more of our money into assets and thereby withdraw money from lending channels and raise our interest costs."

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. | Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. | Iroquois Falls, Ont.
Espanola, Ont. | Smooth Rock Falls, Ont.
Pine Falls, Man. | Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Well-organized Racket Linked With Lost Money

Numerous enquiries received by The Financial Post as well as by various departments of government at Ottawa, reveal a well-organized racket in operation in all the provinces. The racketeers are persons, many of them members of the legal profession, who try to identify the owners of unclaimed bank balances held in the chartered banks and who, when identity is reasonably certain, offer to "find" the money if the owner will pay a commission of 50%.

Border on Extortion

Operations of these racketeers in several cases which have come to the attention of The Post and to officials at Ottawa border upon extortion. In one case a retired schoolmaster in Alberta had overlooked a deposit of $200. His name had been published in a daily paper and the racketeer worked on the hypothesis that his victim had not read this paper and would not be tipped off by his friends. This racketeer was out the expense of writing one letter and affixing one postage stamp, in order to earn $100.

In the main, however, this racket is much better organized than the foregoing incident would indicate. It is operated largely through members of parliament who are requested to furnish typewritten lists of unclaimed balances to collection firms. Sometimes the foundation material is obtained from typists at Ottawa who are permitted by the government to inspect the bank returns.

Lists Published

People who are offered information of this sort in return for a confiscatory commission should bear in mind that they can probably obtain the information in other ways. Much of it has been published in the newspapers of the country. The Financial Post is presently publishing a fairly complete list of unclaimed certified cheques, drafts, money orders, etc., with respect to which no effort has ever been made to assist recoveries. Maclean's Magazine, alone, in recent years has cleaned up the larger unclaimed bank balances, restoring many hundreds of thousands of dollars to circulation.

In tracing down rightful owners of unclaimed balances, a reasonable charge is 10%. A number of agencies in Canada have operated successfully on this basis and in many cases have received the active assistance of the chartered banks.

Lost Money

Unclaimed Balances With Royal Bank Are Continued

Further unclaimed certified cheques, drafts, bills of exchange as reported to Parliament by the Royal Bank are as follows:—

Gordon W. Scott, 142 Notre Dame St. West, Montreal, issued a certified cheque or draft Aug. 4, 1922 (drawn on the Atwater and Notre Dame branch) for $14.72.

J. Beauchamp, of Montreal, issued a cheque or draft for $100 drawn on the Atwater and Notre Dame branch June 1, 1912.

The United States Commission of Immigration at Montreal issued a certified cheque for $72.50 to Kataryna Wajcion March 9, 1921, and another on the same day to Francesco Stallone for $84. Neither has been cashed and both sums are shown as unclaimed balances in the Beaver Hill branch. A third cheque was issued to L. Sabiands June 20, 1926, for $56. Three others might also be recovered by the commission. All are in the Beaver Hill branch: Aug. 22, 1929, J. Bris, $8; Oct. 4, 1929, B. St. Louis, $8; Sept. 16, 1930, A. J. Levine, $8.

D. A. Stalker, of Montreal, issued a cheque on the Beaver Hill branch May 25, 1928, for $199.04.

The Tub Clothing Beaver Shirt Co., of Montreal, issued a cheque or note for $24.66 on the Bonaventure branch July 23, 1924.

The Essex Lunch Co., of Montreal, issued a certified cheque or money order (No. 323,359) for $10 to the Provincial Secretary's department. It was dated March 19, 1930, and the Quebec government never got any money which is being held in the Bonaventure branch.

Evelyn Daoust, 48 De Villiers St., Montreal, issued a cheque or order for $50 July 14, 1920. The money is still in the Cote St. Paul branch.

The Valco Products Ltd., 863 Duluth Ave., Montreal, issued a certified cheque for $9 Nov. 7, 1929. It is drawn on the Christopher Columbus and St. Zotique branch.

Royer and Royer, 753 St. Denis St., Montreal, issued a certified cheque Sept. 14, 1923, for $10. The money is still in the Duluth and St. Denis Sts. branch.

The Canadian Cloak and Shirt Co., 701 St. Lawrence St., Montreal, issued a certified cheque or money order June 23, 1924, for $35. The money is in the Duluth and St. Denis Sts. branch.

Moscovitch Bros. Co., 166 Clarke St., Montreal, issued a certified cheque Jan. 4, 1924, for $100. The cheque was drawn on the Duluth and St. Denis branch where the money is still held.

The United Loan Association, 4316 St. Lawrence St., Montreal, issued a certified cheque for $10 Feb. 24, 1930. It was drawn on the Duluth and St. Denis Sts. branch and has never been cashed.

The Thompson Mattress Co., 88 d'Epee, Montreal, issued a certified cheque or money order Dec. 13, 1915, for $10. It is drawn on the Laurier Ave. branch where the money still is.

P. Maher, 51 McCulloch Ave., Montreal, issued a certified cheque for $40 June 25, 1917, on the Laurier Ave. branch. It is uncashed.

The Advance Motors Transfer, 2262 Hutchinson St., Montreal, issued a certified cheque or draft for $25 June 21, 1922. The money is held in the Laurier Ave. branch.

The Morrice Construction Co., 1024 St. Catherine Blvd., Montreal, issued a certified cheque for $10 Feb. 7, 1922. This money is still held in the Laurier Ave. branch.

The Marotta Construction Co., 1134 St. Viateur St., Montreal, issued a certified cheque on the Laurier Ave. branch for $73 Oct. 2, 1930. The cheque has never been cashed.

The Majestic Tea Room, of Montreal, issued 3 certified cheques on the Laurier Ave. branch and all 3 are uncashed: May 26, 1930, $27.18; Aug. 8, 1930, $26.02; Aug. 11, 1930, $10.

Worthmore Furniture, 4461 St. Lawrence Blvd., Montreal, issued a certified cheque for $3.83 March 28, 1929. The money is in the Mount Royal and St. Lawrence branch.

Pinsker Loan Syndicate, 4062 St. Urbain St., Montreal, issued a certified cheque for $12 May 13, 1929. The money is still in the Mount Royal and St. Lawrence branch.

The St. Lawrence Furniture Co., 5298 St. Lawrence Blvd., Montreal, issued a certified cheque for $20.14 Dec. 19, 1929. The money is in the Mount Royal and St. Lawrence branch.

Western Securities Corp., 1688 Papineau Ave., Montreal, issued a certified cheque for $30 Aug. 25, 1925. The cheque was drawn on the Papineau Ave. branch and has never been cashed.

The Smart Waist Co., 143 Bernard Ave., Montreal, issued a cheque for $31.55 Aug. 17, 1922. The money is being held in the Park and Bernard Ave. branch.

Two interesting unclaimed balances concern a **Father Lapinto.** Whether he was the payee or the payor is not clear. Both were issued Nov. 23, 1901. The first was for $196.36 and the second for $294.88. Neither has been cashed and the money is held at the Place d'Armes branch, Montreal.

The Laurentide Club, of Montreal, issued a cheque or a money order Feb. 28, 1913, for $20. The payee never took the money which is held in the Place d'Armes branch.

Court Winds Up Bank of London

Mr. Justice Clauson in London, England, last month made an order for the compulsory winding up of the Bank of London, Ltd. This order was granted on petition of the proprietors of the Daily Mail, who were judgment creditors against the "bank."

The Financial Post last December reported the unsuccessful libel action taken against the Daily Mail by the Bank of London and by Maurice Singer, who was described as the guiding spirit of the Bank of London. Singer had been called "a swindling share pusher" by the newspaper and the bank had been described as "a swindling bucket shop."

Maurice Singer's organizations figured prominently in a bulletin issued by the Montreal Better Business Bureau, in a series of front-page articles by The Financial Post and in a series of articles by The Daily Mail, all published almost simultaneously in 1934.

France Revises Bank Nationalization Plans

Premier Blum's proposed nationalization of the Bank of France has been replaced by a considerably milder measure, reports from France indicate. Although details are not yet available, it is believed under the revised nationalization scheme the bank's regents will retain their rights. Apparently it was felt original plans would result in loss of credit and would check the increasing flow of capital to the country.

What are travelers' cheques?
Bank cheques issued in denominations of $10-20-50-100 and cashable anywhere through Banks, Hotels, Railways, Steamboat Companies, bus lines—
Pay Your Way By Travelers' Cheque
101
IMPERIAL BANK OF CANADA
HEAD OFFICE-TORONTO
BRANCHES THROUGHOUT CANADA

Nfld. Budget Shows Upturn In Expenses

Conservative Estimates Made for 1937 Fiscal Year

NO TAX CHANGES

Newfoundland's deficit for the year ended June 30 will probably be $787,000 more than estimated.

As the result of a sharp rise in the late months of the year, total ordinary revenue is placed, according to preliminary figures issued by Finance Commissioner E. N. R. Trentham at $9,711,139—about $500,000 more than anticipated in the budget estimates last July. Other revenue, $1,450,000 in grants from the United Kingdom government and $1,100,000 from the Colonial Development fund, bring total for the year to $12,261,139. This compares with an estimate of $11,757,485.

Expenses Heavy

Expenditures soared during the year. This was attributable largely to 4 causes: $350,000 for highway construction; heavy capital expenditures in respect to the railway and steamship services; an additional $300,000 for relief; and $200,000 for public works programme. It is considered likely that actual expenditure for the year will amount to $13,188,505 instead of the $11,896,698 estimate.

As a result of these developments the estimated $139,213 withdrawal from Exchequer balances, which was to be added to revenue figures to balance the budget, will be considerably increased.

Commissioner Trentham expressed himself as reasonably pleased with the financial fortunes of the past year. All major sources of ordinary revenue, apart from the customs, were higher, and, allowing for the very poor fishery, the customs bore up surprisingly well.

The budget for the year ending June 30, 1937, Mr. Trentham described as "dull." Total revenue for the year is placed at $11,841,845, including $9,061,179 on ordinary account, $688,000 from the Colonial Development fund and a grant-in-aid of $2,092,666. To bring the total to $11,972,990, the figure at which it is proposed to balance revenue and expenditure, an estimate of $131,145 from Exchequer balances is added.

Estimates of expenditures, for the most part, approximate those of the previous year.

Mr. Trentham stated that no change in taxation is at present proposed for 1937. In commenting on the general situation he pointed out Newfoundland is not nearly in sight of a balanced budget. "It has always to be remembered," he said, "that part of our purchasing power and ordinary revenue are at the present time artificially generated by the contributions which we receive from the United Kingdom government; but it does seem that we are going forward, not backward, and are not standing still. . . . I am quite certain that we may continue to go forward with confidence."

Personal Loan Service Widens

Bank of Commerce Opens Quebec Province Branch

From Our Own Correspondent

MONTREAL. — Canadian Bank of Commerce has established its personal loan service in the province of Quebec, for the purpose of making loans to wage-earners and salaried or professional men and women.

The plan is, in brief, that any resident who is steadily employed and is a good credit risk may apply. The only security required is: That the borrower be of a good character; that he be steadily employed; that he obtain the signatures of two other responsible persons to become sureties, who are of good character and of satisfactory earning power.

The loans range from $60 up in multiples of $12 and run for a period of a year. Repayment is being made by 12 equal monthly deposits in a savings account. The loans are discounted at the rate of 6% and are covered by life insurance to protect the estate of the borrower and the sureties in the event of the former's death.

GOLD STREAK ACTIVE

From Our Own Correspondent

WINNIPEG. — A crew has commenced surface stripping and trenching on the property of the Gold Streak Mining Co. at Amisk Lake, just within the Saskatchewan border and about 15 miles southwest of Flin Flon. The property is controlled by Flin Flon men and is said to show excellent promise in a district which for a good many years has been known to contain potentially valuable gold deposits. Two test shafts will be put down and camps erected for a much larger crew.

Weekly Bank Clearings

	July 9 1936 $	Change year ago %	July 2 1936 $
Halifax	3,065,453	+21.9	2,013,633
Saint John .	2,032,833	+17.1	1,594,905
Moncton ...	764,685	+7.2	784,043
Sherbrooke .	727,340	+4.4	628,454
Quebec	5,552,739	+28.6	4,320,204
Montreal ...	106,101,282	+28.6	98,946,493
Ottawa	32,646,529	+7.5	15,417,201
Kingston ...	767,207	+22.3	682,257
Peterborough	870,890	+11.4	614,584
Toronto	138,911,280	+32.2	105,939,435
Hamilton ...	5,823,583	+49.3	4,407,928
Kitchener ..	1,256,733	+40.3	1,028,261
Brantford ..	1,504,471	+39.0	597,312
London	3,893,414	+37.9	2,686,479
Windsor	2,835,439	+40.9	2,549,699
Sarnia	571,903	+13.2	269,130
Sudbury	968,125	+28.2	827,191
Fort William	923,895	+54.6	690,273
Winnipeg ..	96,968,324	+89.1	42,891,050
Brandon	456,559	+29.1	271,646
Regina	4,225,655	+4.9	2,913,620
Prince Albert	406,351	+16.6	261,380
Moose Jaw .	655,577	+39.6	533,460
Lethbridge .	465,641	+9.9	417,733
Saskatoon ..	1,693,688	+15.1	1,291,546
Edmonton ..	4,788,439	+26.8	3,466,940
Vancouver ..	20,898,132	+43.5	17,684,688
Victoria	2,094,023	+22.7	1,504,802
Calgary	6,426,077	+10.2	3,449,799

N. S. Youngsters Start Own Bank

Young folk in and about Prospect, Nova Scotia, have decided to go into the banking business on their own. Apparently an offshoot of the co-operative schemes which are fairly widespread throughout sections of the Atlantic province, the Children's Co-operative Saving Association opened its doors recently. The youngsters line up in front of their own teller, balance their own books, and declare their own interest once a year.

On the first day of operation, 57 depositors opened accounts with the new institution, the balances ranging from 5 cents to $8.30. Any amount, no matter how small, may be deposited, and will bear interest at the current savings rate.

The catch is that the money must remain on deposit until the youngsters have reached the age of 21. It is in actuality a savings bank. Withdrawals are countenanced only through death or removal from the district.

However, the bank, apart from promoting thrift, is also designed to teach the rudiments of banking practice. It is stated the young folk are learning banking terms amazingly fast, and that they are realizing, many for the first time, the practical application of arithmetic.

Comptoir Nationale Sells Grey Nuns Bond Issue

From Our Own Correspondent

MONTREAL.—Comptoir Nationale du Placements has sold $371,000 first mortgage bonds of the Grey Nuns of the Cross, Ottawa, at par and accrued interest.

These bonds are divided into 2 series, $200,000 of 3½% bonds maturing from 1937 to 1947 and $171,000 4% bonds maturing from 1948 to 1954. Both issues are payable as to principal and interest in Canadian funds only.

Proceeds of the bonds, which will be entirely amortized by 1954, will be used to defray the cost of enlarging the Mother House and modernizing the present building.

The bonds are secured by all the assets and buildings of the order. Total assets of this order are $7.3 millions as against liabilities of $2.7 millions.

Windsor Finance Plan Before Municipal Board

Notice is published this week by the Ontario Municipal Board that the Windsor Finance Commission has applied for approval of the plan for refinancing municipalities merged into greater Windsor: Windsor, Walkerville, East Windsor and Sandwich.

The Board intends to deal with the application on Sept. 22, 1936.

Lawsuit of Walkerville citizens aimed at upsetting the amalgamation is still in the courts but is delayed by the summer recess. A large number of Sandwich citizens have petitioned against the merger.

The amalgamation financing plan was outlined by The Financial Post several months ago. Details of the plan can be obtained from C. W. McDiarmid, fiscal agent of the Windsor Finance Commission or from the Finance Commission itself.

Progress Unto Perfection

PROCESSES of improvement must go on if a business, or an industry, is to meet the challenge of the present age.

The high standard of excellence in our monetary documents is the result of over a century of cumulative experience, progressively utilized.

But back of technical efficiency there must be something more. Fine steel engraving demands genius—to do the present job and to prepare the apprentice to carry on.

This company has at its disposal the acknowledged world's best steel "vignette" engravers. From their genius springs progress unto perfection.

Unvarying finest quality — the greatest safety factor—is inherent in Canadian Bank Note Company products.

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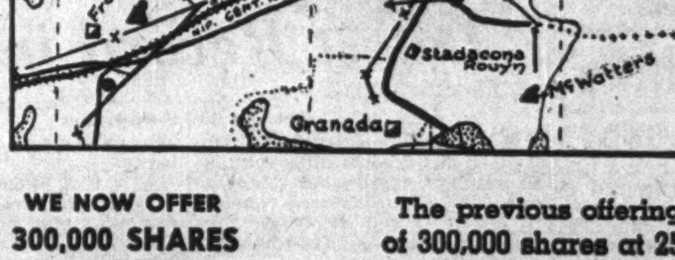
LIMITED
Head Office and Works—OTTAWA
—Branch Sales Offices—
TORONTO MONTREAL

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 . . . £115,559,000
A. C. DAVIDSON, General Manager.
747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY.
London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

O'Keefe's
FINE BEVERAGES
Since 1846

New offering:
HALLIWELL GOLD MINES
LIMITED
(No personal liability)
Head Office: ROYAL BANK BUILDING, MONTREAL
CAPITALIZATION
Capital ($1.00 Par Value) $3,000,000
Issued for Properties (escrowed) 1,000,000
Previously issued 500,000
In treasury (including the present offering) 1,500,000
OFFICERS AND DIRECTORS
F. X. FORGUES, President
STANLEY JOHNSTON, Vice-Pres.
LOUIS HURTUBISE, Sec.-Treas.
WM. PAPKE
FERNAND DUFRESNE
L. P. DION



WE NOW OFFER 300,000 SHARES AT 30c PER SHARE
The previous offering of 300,000 shares at 25c was over-subscribed.
We recommend these shares to anyone interested in a mining venture where good location, substantial diamond drilling results, adequate capital and a sincere effort at mine making are present.
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Drive Against Indecent Films Is Welcomed

Pope's Encyclical Backs Work of League of Decency

AIDING INDUSTRY

Chief exhibitors in Canada of motion pictures speak with warm approval of the encyclical of Pope Pius on July 2 ordering a world drive to raise film standards. They do not believe that anything but good will come to the industry as a whole from the proposals for a new "office" to publish lists of films classified as to merit, to induce the "faithful" to sign yearly pledges to boycott indecent pictures and to work with Protestants and Jews in the League of Decency to the same ends.

Asked if the listing and classification of films and the boycott pledges against blacklisted films might not at times cause great losses to producing companies and to exhibitors, J. J. Fitzgibbons, of Famous Players of Canada replied: "The efforts of The League of Decency and of the various organizations interested in seeing that a suitable type of picture is produced have been of the greatest benefit to the industry. My personal opinion is that there is no reason to fear any bad effects on earnings from the Pope's Encyclical. The positive effects will be to continue the improvement already made by the organizations I have referred to.

Good for Everybody

"The importance of the moving picture industry in the life of today is unquestionable and it cannot but be good for everybody in the end to have our great religious leaders and scholars and statesmen studying the industry attentively, getting to understand our problems and also making us feel and know their views and sentiments."

The Financial Post directed Mr. Fitzgibbons' attention to the following paragraph in the Pope's encyclical,—

> "Everyone knows what damage is done to the soul by bad motion pictures. They are occasions of sin; they seduce young people along the ways of evil by glorifying the passions; they show life under a false light; they cloud ideals; they destroy pure love, respect for marriage, and affection for the family. They are capable also of creating prejudices among individuals, misunderstanding among nations, among social classes and among entire races."

No Lewd Pictures Now

"I question," said Mr. Fitzgibbons, "if there have been any important pictures released or produced in the last 15 or 16 months that have been subject to criticism because of lewdness. There may have been an odd picture by an independent producer who is not recognized by the Motion Producers' Association and who may have stepped out of line. Even that has not been serious. Important exhibitors have realized the advantages of having films suitable for the whole population to see. Pope Pius admits the great improvement made.

"Just read the next paragraph of Pope Pius's encyclical to that you just quoted and you will see that he is on high ground. He says:

> "'On the other hand good motion pictures are capable of exercising a profound and moral influence upon those who see them. In addition to affording recreation, they are able to arouse noble ideals of life, to communicate valuable conceptions, to impart better knowledge of the history and beauties of the fatherland and of other countries, to present truth and virtue under attractive forms, to create or at least to favor understanding among nations, social classes and races, to champion the cause of justice, to give new life to the claims of virtue, to contribute positively to the genesis of a just social order in the world.'

Censors Learn Jobs

"When the moving picture can do so much harm and also do so much good you can see it is of the highest importance that we should have the benefit of the advice of all kinds of leaders and teachers of men and it is well that they too should get more knowledge every day of the industry."

"Do you get many complaints on the other side that censorship has sometimes broken the artistic continuity of a picture or that opposition has prevented the showing of a picture with artistic value though unconventional in theme or treatment?"

"No, we don't. One reason is that the producers at Hollywood and elsewhere have benefitted from years of experience with censors and with educators and clergy. They know what is likely to cause objection.

Praises Censorship

"In Canada the Ontario Censorship board is doing a splendid job and in fact every provincial board is functioning well. They look into all complaints and their experience is such that they have really considered a picture from the angle of every likely complaint before it is released. They do it so well in Ontario that I don't think they have had a complaint for months. The desire of the industry to forestall the censors as well and thus to prevent anything being cut out also is a safeguard."

"Is there likely to be as a result of the encyclical a more pronounced censorship in Quebec which is predominantly a Catholic province?" Mr. Fitzgibbons was asked.

"No. The situation in Quebec is much the same as elsewhere except that perhaps scenes depicting marriage have to be more carefully censored. There is a strong objection there to any scene depicting a married woman as promiscuous. A divorce does not rule out a film if it is incidental to the story and if divorce is not glorified.

"The controversy on 'Green Pastures' shows that individual opinions may sometimes clash violently. Premier Hepburn may have been thinking of an old law that forbade any reference to the Deity. The picture is not blasphemous nor does it ridicule religion. I think it will be allowed eventually. Where there are sincere, outstanding men on both sides of such a controversy a picture should be allowed and members of the public permitted to form their own opinion.

"No, the Pope's encyclical is no danger to the industry. If it helps the industry to become better, it will be of distinct benefit."

Proposed Revamping Orange Crush Stock

Holders of first 7% preferred stock, 2nd no par value preference stock and no par value common shares of Orange Crush Ltd., will be asked to pass on a reorganization plan at the annual meeting on July 28.

Holders of 6,500 shares of $100 par value 7% preference shares are offered 4 new preferred no par value shares and 3 new no par value common shares for each share.

Holders of 40,000 no par value 2nd preference shares are offered one-tenth of a share of new preferred stock for each share now held as well as one-fourth share of new common. Of 186,000 no par value common shares authorized 80,000 shares are outstanding and the proposal is that one share of new common stock should be given for each 5 shares of present common stock held.

The situation, if this plan is accepted, would then be that only 2 stocks are outstanding instead of 3 as at present.

Proposed Capitalization

No Par Value Stocks	Number Authorized Shares	Number Issued Shares
Preference	50,000	30,000
Common	100,000	45,500

The new preference stock will be entitled to fixed cumulative dividends at the rate of 70 cents a share payable semi-annually. Dividends will accrue from November 1, 1936. The new stock will be redeemable at $12.50 and accrued dividends and will be convertible into common stock on the basis of 4 common shares for each 5 preference shares held.

The effect is that 1st 7% preference shares, not paying dividends since April 1, 1932, get 4 shares entitled to $2.80, instead of one share entitled to $7 as at present, and will improve revenue as income makes it possible to pay on the common shares;

Second preference shares, not paying dividends since Oct. 1, 1929, will get the equivalent in new preferred of 7 cents per share a year in dividends if the new preferred dividends are paid regularly and as well whatever may be earned and declared on one quarter of a share of common; old common benefits by having a new common stock which starts without a large accumulation of deferred dividends on senior stocks to work off.

All stocks are stated to benefit by the elimination of a large deficit which it would take many years to eliminate out of profits and which has to be eliminated from the balance sheet before dividends are possible. The company's capital liability would be reduced from $1.1 million to $285,500 and the deficit of $837,303 would be eliminated. A capital surplus of $7,198 would be created. Other assets and liabilities would be unaffected as of October 31, 1935.

All through the depression, states president E. P. Taylor, earnings have been lower than previously.

Larger shareholders, says Mr. Taylor, have seen and approved the plan.

Montreal Fair To Sell Assets

Sale Won't Cover Bonds—Nothing for Stockholders

MONTREAL. — Confirmation of the sale of the properties of the bankrupt Montreal Exhibition Co. to J. Raoul Lefebvre, will be sought by Georges Duclos, liquidator, before the Montreal Courts July 28. Particulars of the sale price are not available but the liquidator states proceeds will not be sufficient to cover in their entirety taxes owing to the city of Montreal and the claim of the first mortgage bondholders.

At present Montreal Exhibition Co. owes the city $73,000 in tax arrears. Bonds outstanding total $380,000, so that it is assumed that the selling price of the property will be less than $450,000, compared with the assessed valuation of over $1 million.

Montreal Exhibition was incorporated in 1927. It owns and operates the Montreal Stadium and Exhibition building and at one time operated the Montreal Baseball Club through ownership of players' contracts valued at $750,000 and a perpetual franchise to operate a team in the International League. In 1933 the franchise and players were sold to the Montreal Baseball Club, which leased the property for 2 years at $35,000 per annum, with an option to renew for an additional 2 years at the same figure.

A first mortgage bond issue on the property was placed with private interests, and 35,000 Class "A" shares, together with a bonus of 8,750 shares of "B" stock, were offered to the public by Ernest Savard Ltée, at $30 a unit. The amount of stock outstanding at present is 39,500 shares of Class "A" and 25,000 shares of Class "B" stock, on which their owners will apparently receive no capital return through the liquidation.

The Montreal Exhibition Co. was never a financial success and in 1931 it failed to meet sinking fund payments on the bond interest. No dividends were ever paid on the capital stock.

Bowaters Paper Mills Takes Over Edward Lloyd

From Our Own Correspondent

MONTREAL.—According to London cable dispatches, 2 of the largest paper manufacturers in England have merged interests. Bowaters Paper Mills has purchased controlling interest in Edward Lloyd Ltd., which has a total issued share capital of £3.8 millions. The move is expected to result in economies, particularly in distribution and transport costs.

Two or 3 years ago Bowaters Paper Mills was interested in acquiring a stake in the Canadian newsprint industry and put forward a proposal for the reorganization of the bankrupt Price Bros. and Co. The plan, like others, failed to secure approval of all classes of Price security holders and investors.

Newsprint Mills Set Latest Record in June

From Our Own Correspondent

MONTREAL. — Newsprint production in Canadian mills continue to set new records, but stocks on hand also have increased resulting in a smaller gain in consumption than indicated by production figures.

Last month Canadian mills turned out 270,051 tons and shipped 262,959 tons, according to figures released by the News Print Service Bureau. For the same month a year ago output was 232,020 tons and shipments 228,196 tons.

Stocks of newsprint paper at Canadian mills at the end of last month were reported at 73,199 tons, compared with 57,771 tons a year ago, an increase of around 15,500 tons.

U. S. Mills Dragging

The showing made by the American mills was not so impressive. Output at 79,830 tons compared with 77,339 tons a year ago, but shipments of 74,710 tons were 2,275 tons less than in June, 1935. This is reflected in an increase in stocks on hand at American mills from 16,496 to 21,027 tons.

During June last 27,980 tons of newsprint paper were made in Newfoundland, or roughly the same as a year ago, so that the total North American production for the month was 377,861 tons. This is in contrast with 338,272 tons in June, 1935.

Cumulative Gain Grows

Canadian mills produced 202,990 tons more in the first half of 1936 than in the first 6 months of 1935, an increase of 15.8%. The output in the United States was practically the same as last year; in Newfoundland production was 10,000 tons, or 6.1% less, and in Mexico 9,665 tons less than in 1935, making a North American net increase of 183,481 tons, or 9.6%.

Banks Unworried By Fire Menace

The banks have not as yet been affected by forest fires raging in the northern part of Ontario. But officials of banks which maintain branches in the threatened areas have indicated to The Post that in the event of destruction of their present offices, business would be resumed as soon as possible in tents.

There would be nothing novel in this. Many of the "outpost" branches of the Canadian banks were first situated in tents. And some of the leading bankers have garnered practical experience behind the improvised counters and under the oil lamps.

Most affected by the blazes which have paralleled the terrific heat spell have been mining districts. According to early reports the banks nearest the scenes of action are the Geraldton office of the Royal, serving the Hard Rock area, and the Pickle Crow branch of the Imperial, opened only a few weeks ago to provide facilities for one of the province's younger gold areas. Officials of both these banks expressed little concern over prospects of property loss. Fireproof safes are regarded adequate to safeguard cash and records.

Salmon Fishermen Want More Money

Minor Strike Develops in Rivers Inlet Area

From Our Own Correspondent

VANCOUVER.—Salmon packing operations in northern waters of British Columbia have been interrupted as a result of a fishermen's strike in the Rivers Inlet area, but there is little danger of the strike spreading.

Canneries may be forced to close as the supply of sockeye gradually declines. B. C. Packers, Canadian Fishing, A. B. C. Canneries and J. H. Todd & Sons are the chief packers affected.

Fishermen are demanding 45 cents a sockeye instead of the 40 cents offered by the canners. Last year 45 cents was paid, but the Rivers Inlet pack did not grade up to standard and a large proportion of the carry-over this season is made up of Rivers Inlet sockeye.

Fishing on the Naas and Skeena is proceeding on a satisfactory basis, and in a couple of weeks the sockeye run will start on the Fraser, where the highest quality fish are still taken. The Fraser River price is 55 cents.

At July 4 the B. C. salmon pack was 66,369 cases, of which 34,748 cases were sockeye. At the corresponding time last year the total pack was only 36,994, of which 19,633 cases were sockeye.

Can. Canners May Be Short Raw Materials

Abnormal Heat Cuts Down Season for Peas and Berries

EXPORT TOMATOES

So far the year has not been particularly favorable for canning crops. First it was too cool weather then came the recent scorching heat. Without favorable weather from now on, Canadian Canners and similar companies may be faced with a shortage of raw material.

The pea pack cut short by the recent hot weather only amounted to about 50% in Ontario and British Columbia, although slightly larger in Quebec. Fortunately, the pack was a heavy one last year, although the bulk of the yield was put in the lower grades. Carry-over should now be worth considerably more money than a few months ago.

Strawberries were similarly affected, 100 degree temperatures putting an end to production about a week earlier than usual.

Situation Critical

While yet too early to speak definitely of tomatoes and corn, certainly the recent weather must have done considerable damage. Full effect, however, cannot be judged until later, as both crops are of the warm weather variety, and with later heavy rains, production may reach almost normal proportions.

A good sized tomato crop might change the general situation quite materially this year, as the heavy carry-over of the past season was cleaned up recently. Sanctions against Italy, Europe's chief tomato source, gave Canadian canning companies an unusually favorable market in Great Britain and permitted liquidation of stocks which had been heavy since 1932. Canadian Grocer estimates that today there are now one million cases less of tomato products than a year ago.

Big Tomato Export

"Export orders from Great Britain for canned tomatoes as well as tomato juice have been healthy, and this is strengthening the situation still further," states Canadian Grocer. "Even though sanctions against Italy are raised, the British market evidently feels it is necessary to place these orders in Canada for at least part of their canned tomato supplies. If the sanctions were not raised, Canada would not be able to produce nearly enough tomatoes this year to fill the British demand. As it is, it looks as if this market is going to be a stiff one for at least another year with a pack not sufficient perhaps for home consumption."

The recent abnormally hot weather will undoubtedly affect the manufacturers of jam, particularly strawberries, raspberries, cherries and any other medium or early fruit. Again, however, much depends on the temperatures and moisture from July on, but without a favorable change almost immediately, certainly the yield of raspberries in central Canada will be very small, and the size of all later fruit will be uniformly affected.

Vancouver Gets Alberta Interest

Council Hesitant About Accepting Reduced Payment

From Our Own Correspondent

VANCOUVER. — Mayor McGeer and his city council found themselves in a rather embarrassing spot last week when a cheque arrived from the Alberta government covering interest payment on Vancouver-held Alberta bonds at the reduced rate.

The embarrassment arose from the fact that, while Vancouver naturally seeks all the revenue it can get from its holdings, it has been agitating for reduced interest rates and therefore, in a sense, has placed itself in the same box with Alberta.

"Of course we should accept it," said Mayor McGeer, "and we should send a message of congratulation to Premier Aberhart."

But the council hesitated. It will neither receive nor decline acceptance until it receives a report from corporation counsel and the city's banker.

The cheque was $1,024 short of the stipulated rate of 4½%. The city holds in its sinking funds Alberta bonds to the amount of $1,189,000.

B. C. Accepts Payment

The British Columbia government was more decisive when it received cheques from Alberta for interest payment on approximately $1,200,000 of Alberta bonds.

Hon. John Hart, minister of finance and outstanding western advocate of orthodox financing, banked the cheques with the notation that they were "on account only and accepted without prejudice to British Columbia's claim for the whole amount due." In the case of bearer bonds British Columbia is not presenting the coupons or accepting the reduced interest rates.

Stocks Traded in Montreal Show Higher Value in June

From Our Own Correspondent

MONTREAL.—The value of stocks and bonds traded on the Montreal Stock Exchange and Montreal Curb Market amounted to $7,736 millions as at the end of last month, an increase of $82 millions over the previous month and a gain of $1,128 millions compared with a year ago.

Industrials, utilities, banks and bonds all registered advances as a result of the higher price trend during June, while mining stocks recorded a slight decline in total value.

Shawkey Gold Stock Listed on Montreal Curb

From Our Own Correspondent

MONTREAL. — Capital stock of Shawkey Gold Mining Co. has been called for trading on the Montreal Curb Market. The listing covers 2.5 million shares of $1 par value each, with authority to add one million additional shares upon release from pool.

Company Reports

Canada Packers Ltd.

Owing to increased reserve for taxes, Canada Packers Ltd., Toronto processors of meat, shortening, dairy products and similar food lines, had a slight reduction in net profits for the year ended March 26, 1936, compared with the preceding year. Net sales showed an increase of $3.4 millions, or about 5¾%.

Redemption of preferred shares Jan. 1, 1936, reduced the amount required for dividends. Although interest was paid on new bonds, it was less than interest formerly paid on subsidiaries' bonds, now redeemed. The reduction in fixed charges allowed earnings of $4.86 a share on the 200,000 shares of common stock compared with $4.48 a share in the preceding year. Dividends of $3 a share are being continued.

The balance sheet shows $6 millions of new bonds replacing the former $5.9 millions of 7% preferred stock. Premium on preferred redemption caused a slight reduction in earned surplus, but working capital shows an increase. Fixed assets at $19.3 millions are up $400,000, but are more than offset by depreciation reserve which increased $740,000 net, to $8.3 millions. Goodwill has been written down from $4 to $1.

Cons. Profit and Loss Account
Years Ended

	Mar. 26 1936 $	Mar. 28 1935 $
Net sales	63,586,883	62,176,677
Less: Freight & other items	......	2,990,019
	†63,586,883	59,186,658
Add: Inc. from invest.	48,811	110,234
Prof. on red. of subs. bonds	......	80,249
	63,635,694	59,377,141
Less: Cost of materials, s'plies, pkgs., etc.	51,986,638	48,335,203
Exps., wages, etc., for manfg., selling & adminis	9,055,754	8,420,656
Prov. for losses of subs.	......	15,324
Net earnings	2,593,302	2,605,958
Less: Depreciation	748,019	747,674
Bond interest	49,758	*149,321
Tax reserve	507,514	363,000
Invests. w/o (net)	......	27,300
Net profit	1,288,011	1,318,663
Less appropriations:		
Pref. divds.	316,701	422,287
Common divds.	600,000	150,000
Surplus for year	371,310	746,376
Less: Prem. on pfd. redemption	573,550	......
Add: Prev. surplus	5,379,414	4,633,038
Balance forward	5,177,174	5,379,414

*Subsidiaries' interest on bonds later redeemed. †Ater freght, etc.

Working Capital

	1936 $	1935 $
Current assets	8,377,441	8,737,700
Current liabs.	2,244,619	2,746,918
Working capital	6,132,822	5,990,782
Ratio	3.72—1	3.18—1

Alexander Bldg.

Gross revenues of Alexander Building Corp. for the year ended April 30, 1936, amounted to $180,807, compared with $190,669 for the previous year. Expenses increased $10,000, so that net returns are about $20,000 lower than in 1935. The report points out that approximately $15,000 of expenses for the year are of a non-recurring nature.

Although interest on the first mortgage bonds was charged for the full amount, only 3% per annum was actually paid to the bondholders by the company.

Income and Surplus Account
Year Ended April 30

	1936 $
Gross revenue	180,807
Less: Expenses	117,877
Net revenue	62,930
Less: Bad debt reserve	1,263
Depreciation	37,315
Bond interest	*117,330
Add: Interest earned	1,129
Net loss	91,848
Previous deficit	215,814
Deficit forward	307,662

* Only half paid out.

Pacific Mills

Report of Pacific Mills Ltd., Canadian subsidiary of Crown Willamette Paper Co., for the fiscal year ended April 30, 1936, shows net profits of $294,712 after depreciation, interest, income tax, etc., equivalent after dividends on a 6% preferred stock, to $2.33 a share on 75,000 shares of common stock, compared with $210,454, $1.21 a share, on common, in the previous year.

Mersey Paper

Mersey Paper Co.'s consolidated financial statement for 1935 shows net earnings of $746,624, or about $94,000 greater than in 1934. After paying interest charges, the company followed its usual practice of charging off the balance of income to depreciation and depletion.

The balance sheet shows a reduction of $85,000 in current bank loans. A new item of $30,000 appears in the report, representing purchase agreement on timberlands. The bank loan, secured by first mortgage bonds, remains unchanged.

Investments in mortgages and shares dropped during the year from $169,458 to $6,338. Through reduction of current accounts and notes payable by over $200,000, as well as a decline in loans, working capital position was improved by over $450,000.

Income and Surplus Account
Year Ended Dec. 31

	1935 $	1934 $
Net earnings	746,624	652,503
Less: Depreciation	355,088	255,461
Interest charges	391,536	397,042
Net profit	Nil	Nil

Working Capital

	1935 $	1934 $
Current assets	1,817,882	1,634,507
Current liabilities	4,273,414	4,545,600
Excess of liabilities	2,455,532	2,911,093

Hiram Walker-Gooderham & Worts

Remarkable improvement in earnings is shown by Hiram Walker-Gooderham & Worts for the quarter ended May 31, 1936, and the 9 months ended on the same date.

For the quarter earnings per share on 660,000 common shares amounted to $1.85 as compared with $1.21 for the same quarter of 1935.

For the 9 months the earnings per share amounted to $5.02 and for the same 9 months of 1935 the corresponding earnings were $3.87 a share. The dividend of $2 a share on this showing is exceedingly well guarded.

Consolidated Profit and Loss Account
Quarters Ended May 31

	1936 $	1935 $
Operating profit	1,790,834	1,168,122
Other income	69,757	59,610
	1,860,591	1,227,732
Depreciation	150,892	138,569
Debenture int., dis. & expense	92,500	......
Bank interest	......	48,242
Income tax prov.	278,070	127,916
Net profit*	1,339,129	913,004
Dividend preference*	115,204	115,204
Earnings on common	1,223,924	797,799
Earned per share*	$1.85	$1.21

* For quarter.

Nine Months Ended May 31

	1936 $	1935 $
Operating profit	4,792,991	3,803,399
Other income	249,795	131,993
	5,042,787	3,935,392
Depreciation prov.	446,804	382,344
Debenture int., dis. & expense	155,722	......
Bank interest	85,154	148,062
Income tax prox.	693,229	503,700
Net profit	3,661,875	2,901,285
Preference dividends*	345,613	345,613
Earnings on common†	3,316,262	2,555,672
Earned per share	$5.02	$3.87

Note:—Provision has been made from earned surplus in respect of a settlement of claims aggregating $1 million asserted by the United States Treasury Department. The profits for both years exclude results from operations of the Corporation's subsidiaries in Great Britain. The combined results from operations of such subsidiaries for the fiscal year ending August 31, 1935, approximated a net loss of $6,000.

* For 9 mos. on 460,818 preference shares at 75c a share.

† For 9 mos. on 660,000 no par common shares.

Quebec Apartments

Quebec Apartments Ltd., owning and operating the Chateau St. Louis apartment building in Quebec City, reports a gross income of $81,202 in 1935, as against $80,450 in the previous 12 months. After depreciation and payment of full bond interest on the outstanding first mortgage bonds, which totalled $329,100 at the close of 1935, there was a book deficit of $5,293. In the previous year the deficit totalled $528, but only a half year's interest has been paid on the bonds.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Rentals	81,202	80,450
Operating expenses	51,749	54,080
Balance	29,453	26,370
Bond interest	16,455	8,227
Other interest	......	438
Balance	12,998	17,705
Depreciation	18,291	18,233
Net loss for year	5,293	528

Avon River Power

Avon River Power Co. controlled by Nova Scotia Light and Power Co., reports a gain of about 20% in gross income during 1935 compared with the preceding year. After taking care of expenses and taxes, balance available for interest, income tax and depreciation was $255,974, as against $192,354 in 1934.

The balance sheet shows outstanding at the end of 1935 over $1.8 million of first mortgage bonds. In addition there are $346,000 of 6% unsecured notes all held by Nova Scotia Power and $23,000 of underlying bonds. All of the capital stock is owned by the parent company.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Gross earnings	364,589	303,526
Operating expenses	85,061	87,943
Net oper. income	279,528	215,583
Taxes, other than inc. tax	23,554	23,229
Bal. before int., inc. tax and deprec.	255,974	192,354

June Output For Vidette Is 681 Ounces in Month

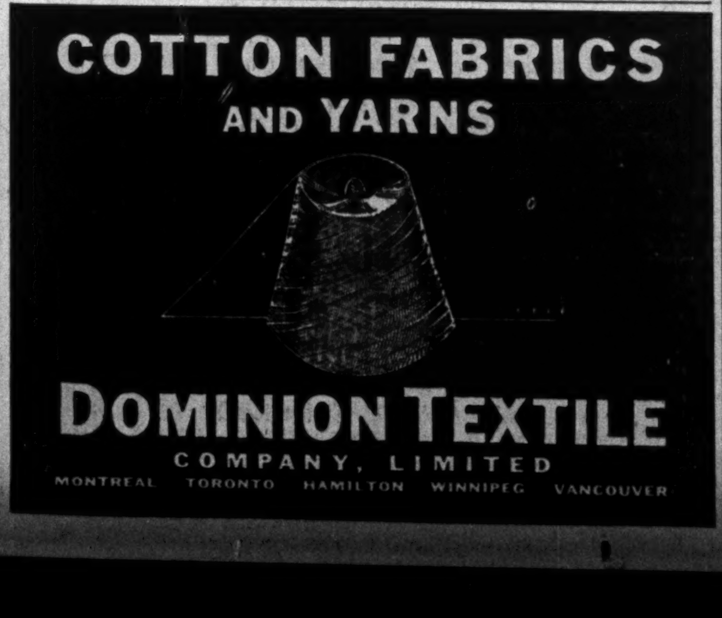
Production for Vidette Gold Mines, British Columbia producer for June was 681 ounces from 819 tons of ore milled, or a recovery of 0.83 ounces per ton, the company reports. A total of 96.5 dry tons of concentrates was shipped to the smelter containing 664 oz. gold and 4,000 pounds of copper, for a total value of $24,039. Milling time for the period was only 27½ days, due to the installation of a unit cell and other changes.

Form True Fissure Mines For Property in Cadillac

To develop a property in Cadillac Twp. Quebec, 3 miles northeast of Canadian Pandora, True Fissure Mines has been incorporated with a Quebec charter, and with an authorized capitalization of 3.5 million shares, $1 par value.

Of the authorized capitalization, 875,000 shares have been issued for property and cash, leaving 2,625,000 shares in the treasury.

True Fissure Mines, has, as president, James M. Robertson, consulting engineer, who is also vice-president and director of Southern Canada Power Co.



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Balaban Heads Paramount Pic.

Joy Registered in Industry as Zukor's Choice Takes Hold

Canadian shareholders of Paramount Pictures, Inc., may find real significance in the news from New York City that Barney Balaban, of Balaban & Katz Corp., has been elected president. He is regarded by the industry generally as the choice of Adolph Zukor, founder of Paramount, who now becomes chairman of the board. The change is therefore regarded as the final step of the company back to the operating status it had before receivership.

Big blocks of Paramount stock are held in Canada. Paramount in turn holds control of Famous Players Canadian Corp., through holding the majority of the common stock. New blood has been brought into Paramount during the gruelling experiences of the last few years, but views of chief officials of Famous Players are that the old and new blood together have greatly improved the organization of the company and its chances to stage a comeback to something like its old position.

N. L. Nathanson Pleased

N. L. Nathanson, president of Famous Players liked the news so much that he cabled from Carlsbad, Czechoslovakia, where he is staying at the moment, to express to J. J. Fitzgibbons his pleasure. Mr. Fitzgibbons states that the news has been received with acclaim not only by employees of Famous Players but by the whole industry. They feel that Mr. Balaban, who built up the Balaban & Katz Corp. chain into one of the largest and most successful motion picture theatre chains in the world since he organized it back in 1908, is in an exceptional position to manage Paramount. He is 48 years old, a pioneer in introducing air cooling into theatres and an exceptionally keen businessman.

In 1926 Balaban & Katz became a subsidiary of Paramount, and Mr. Balaban has been associated with Paramount as head of Balaban & Katz since that time. Between 1921 and 1927 he was one of the owners of First National Productions, a very successful producing company in Hollywood, Calif.

Adolph Zukor, will devote his entire time to production in Hollywood where he has been in charge for the last 2 months.

Other Directors Appointed

Stanton Griffis remains as chairman of the executive committee. Mr. Griffis is a partner of Hemphill, Noyes & Co., investment bankers, chairman of the board of Madison Square Gardens, and associated with Katherine Cornell and Guthrie McClintic in the production of Katherine Cornell's plays.

The other officers elected are: Vice-president, Neil F. Agnew, R. Earle Anderson, Y. Frank Freeman, John J. Hicks, Jr. and Austin C. Keough; treasurer, Walter B. Cokell; secretary, Austin C. Keough; comptroller, Fred Mohrhardt; and asst. secretary, Norman Collyer.

The corporation announces that Joseph R. Kennedy has completed the study of the affairs of the corporation which he undertook at the request of the board. At a recent shareholders meeting considerable curiosity was expressed about this study and the money paid for it. Details of the report were withheld.

Gomak Mines Reports Interesting Results

SUDBURY. — Development work at the 85-ft. level of Gomak Mines in Chester township, north of Sudbury, continues to give encouraging results, according to reports from the mine. J. C. Mahon, in charge of mining operations, reports to the management that coarse gold has been encountered in the last round in No. 1 stope. It was also stated that No. 12 diamond drill hole had reached an interesting stage in heavily mineralized porphyry, and that trenching 200 ft. west of the latest diamond drill hole shows mineralized porphyry and quartz. Exploration of the main vein is proceeding and has revealed some fine samples of free gold. Russell D. Jones, general manager, in Sudbury a few days ago on his way back to the mine from Toronto, stated he hoped to enlarge both mining and milling operations during the present summer.

Gains Again

During the first six months of 1936 Investors Syndicate has achieved these new records:

TOTAL RESOURCES increased to $80,567,449.76—a GAIN of $7,655,751.18 since December 31, 1935.

CAPITAL and SURPLUS now $1,869,008.85 — a GAIN of $186,652.13.

CERTIFICATE RESERVE now $6,611,309.73 — a GAIN of $150,880.32.

This increase in Total Resources includes the following: $5,504,972.66 in First Liens on Real Estate; $1,547,580.72 in Bonds and Securities.

Have you our latest annual financial statement? We shall be glad to send a copy.

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Week in Wheat

End of Prairie Drought Lowers Wheat Prices

Full Effect of Unfavorable United States Position Not Yet Realized in Europe — Sales Speed Up

From Our Own Correspondent

WINNIPEG.—The wheat market, as is frequently the case when it is so largely under weather influence, has been somewhat nervous. Improvement in Western prospects which has resulted from recent fairly widespread moisture has been sufficiently reflected in the recession particularly, as the market had never fully reflected the possibilities of crop destruction if drought had continued unabated.

Liverpool has been following the advances on this side with some reluctance. Every report of improvement here has been the signal for some weakness. It is doubtful if overseas the full extent of the probable United States imports of Canadian wheat is yet realized. Note is taken there of the probable surplus of soft white wheat on the Pacific coast. But while that wheat forms part of the statistical supply of the country, American mills will import Canadian wheat in preference to using it.

The Canadian wheat board is steadily selling wheat at a considerably faster rate than actual exports from the country, and the base of the market is consequently increasing in breadth.

May Yet Beat 1935

PRODUCTION reports from now on are likely to emphasize on the one hand the acreage in the west where there can be no grain for market, and on the other the comparatively fine prospects in those areas where wheat is standing up well. Many parts of the country will probably do much better than last year, with other parts correspondingly worse. Total production may still be ahead of last year, but by no great margin. Some of the increase will be in Durum wheat, and the steadily advancing premiums on Durums emphasize the dependence of United States macaroni manufacturers on Canadian supplies for the coming year.

• • •

Await Wheat Board Results

MARKET observers are beginning to calculate the possibilities of bullish developments when the position of the Canadian Wheat Board at the end of the crop year becomes known. How much wheat the Board still owns is, of course, completely a matter of conjecture. But it is agreed that there has been a great change during the past year.

The Board's holdings at the end of the last crop year were believed to be well above the quantity in the visible supply. That is to say, the Board or the stabilizing agency which preceded it was not only carrying all the Canadian wheat in commercial position in Canada and in the United States, but was also carrying hedges against wheat in transit, stored abroad and also flour in various positions. Now, private interests, which a year ago were completely lacking, have come with the market and are daily getting stronger. Consequently, it may well be that by July 31, the Board's holdings may be far below 100 million bushels. By the end of August they could easily be down to half as much.

Reduced to such a quantity, the Canadian government holdings would cease to be the bearish factor and that would be especially the case if the government agency ceased to acquire more wheat during the new crop year. So long as the government holds a dominating position in the market, both exporters overseas and investors are reluctant to make forward commitments. Once, however, the government ceases to be a dominating factor, there would be possibilities of a considerable advance in prices.

From the market standpoint, therefore, it is believed that the soundest thing the government can do for the new crop year is to decline to establish any guaranteed price basis, holding in reserve its power to do so should any later developments make such action desirable.

There is widespread belief that if announcement to that effect is made, and concurrently there is announcement that the Board's holdings have been reduced to a comparatively small quantity, a bullish factor of first class importance will have been established.

• • •

United States Crop

UNITED STATES Department of Agriculture estimated total wheat crop of that country for the current year, on the basis of July 1 conditions, as 638 million bushels. This with a carryover as at that date of 125 million seems to guarantee the country a sufficient supply for the new crop year.

At all events when the figures were published United States markets gave them a bearish construction. Some discount must undoubtedly be made for crop damage since July 1, but so far as a very large part of the wheat area is concerned, no important change was possible. Much of the winter wheat crop was already made, and comparatively little damage was possible. And much of the spring wheat crop was already totally destroyed by June 30, so nothing remained to write off.

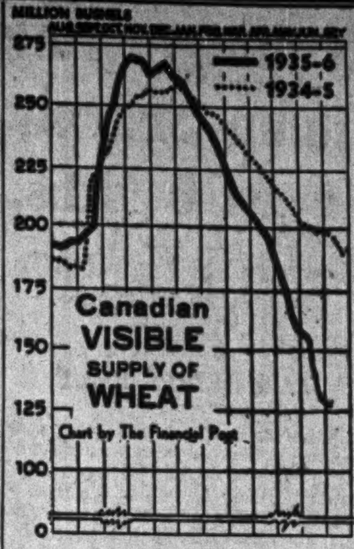
Nevertheless it is not unlikely that the next official estimates will write off the odd 38 million bushels, which would leave production short of actual needs by possibly 50 million. For this the carryover could be drawn on if necessary. But it should be remembered that the United States needs a fairly substantial carryover, for while some new wheat was coming on to the market at July 1, it will be the end of August before new spring wheat is fully available for milling. Moreover, the carryover has to provide seed wheat for the new winter crop, although not for spring wheat.

• • •

U. S. Exports to Continue

INSTEAD of being cut off, it now seems probable that Canada's exports of wheat to the United States during the new crop year will be considerably higher than those in the year drawing to a close. This statement rests largely on the fact that United States mills are now absorbing Canadian wheat in considerably larger quantity than at the corresponding period a year ago.

Three successive failures of the spring wheat crop leave the United States denuded, not only of that type of wheat for grinding, but also of normal reserves of hard wheat flour. Up to a short time ago Canadian milling wheat for the U.S. was going chiefly to Buffalo, and was absorbed mainly in the flour markets of the eastern states. But currently Canadian wheat is being consigned from Port Arthur and Fort William to Duluth, for forwarding to Minneapolis. Quantities of Alberta wheat are being shipped across the line directly to mills in Montana. The spring wheat states, at least the 2 Dakotas and Montana, instead of producing a surplus to send to other parts of the country, have failed to produce enough to feed themselves.



STEADY PROGRESS

Last week saw Canada's visible shrink to approximately 132 million bushels and during the three weeks of the crop year yet remaining it is certain that this carry-over will be reduced to well below 125 million. The moderate decline in the last few weeks is understood to be no indication of the recent heavy Wheat Board selling. Most grain men now believe that Chairman Murray has reduced government holdings far below the figures charted above and that much of the visible now shown is held by private speculators.

Details in bushels are as follows:

	Week of July 10	Week Previous	Last Year
Canadian Visible	131,679,000	135,525,000	193,580,000
Export Clearances*	4,960,553	4,022,223	1,370,239

*Plus U. S. imports.

While the duty of 42 cents a bushel is a considerable handicap to Canadian wheat, the effective barrier against it is really less than that amount in many parts of the country. Rail freight rates from the winter wheat area are high in comparison to what has to be paid on Canadian. Then Canadian wheat, if the highest quality is taken, will mill into more barrels of flour than cheaper wheat available from other parts of the country, and in turn will make more loaves of bread. Consumers accustomed to hard wheat flour can only with difficulty be persuaded to employ flour from softer wheat.

• • •

Durum Wanted

UNITED STATES too, will also require all the Durum wheat that Canada can provide. Up to a few years ago practically the whole of Canada's Durum wheat production went to the macaroni manufacturers of Italy. For 3 years that market has been practically closed but the 3 successive failures of the crop in the United States resulted in a new market.

During the past year the demand fell off to some extent, for Durum wheat partly rust resistant, did not suffer as much as bread wheats and it sold at a discount. Now it has suddenly advanced to price equality, and it is quite possible that it may soon command a premium.

The northern states may also be looking to Canada this year for seed wheat. This demand, however, may be somewhat difficult to supply, for although Marquis wheat, which is the standard variety in western Canada, was for some time the favored variety in spring wheat states, preference has lately been for other varieties considered to be more rust resistant. As yet the latter are grown to a small extent only in western Canada.

DIVIDEND NOTICES

ANGLO-CANADIAN TELEPHONE COMPANY

PREFERRED DIVIDEND NOTICE

Notice is hereby given that a dividend of One and Three-quarters Per Cent (1¾%) has been declared on the 7% Cumulative Preferred Stock of the Company for the Quarter ending July 31, 1936, payable August 1, 1936, to Stockholders of record at the close of business on July 15, 1936.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, July 15, 1936.

The Bank of Toronto

Dividend No. 220

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the first day of September next, to shareholders of record on August fifteenth, 1936.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Old Canada Investment Company Limited

Dividend Notice

Notice is hereby given that a dividend of 5% on the Preferred Stock, and 6% on the Class "A" common stock of Old Canada Investment Company Limited has been declared payable August 5, 1936, to shareholders of record July 31, 1936.

By order of the Board,

A. H. McKENZIE,
Secretary.

Oshawa, Ontario.

SIMPSONS, LIMITED

Preference Dividend No. 19

Notice is hereby given that a Dividend of One Dollar per share on the outstanding paid up six and one-half per cent Cumulative Preference Shares of the Company has been declared payable on August 1, 1936, to shareholders of record at the close of business on the twenty-second day of July, 1936. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, July 14, 1936.

DIVIDEND NOTICES

The Guelph Carpet & Worsted Spinning Mills Limited

PREFERRED DIVIDEND No. 29

Notice is hereby given that a Dividend of One and Five-eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended July 31, 1936, payable August 1, 1936, to Shareholders of record at the close of business July 17, 1936.

By Order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., July 14, 1936.

Quebec Power Company

Notice is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 15th, to shareholders of record July 24th, 1936.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, July 13, 1936.

Flour Export Holds Steady

Small Lead Over Year Ago — Wheat Shipments Soar

Canadian wheat flour exports in June showed a small decline from the previous month, but were slightly above June a year ago. The total for the crop year to date shows a lead of almost 200,000 barrels over the corresponding period a year ago, and there is about the same lead for the 12 months ended June, 1936.

Prices, however, have been slightly weaker, with an average of $3.87 per barrel in June as compared with $3.99 in May and better than $4 from April back until October last. Details as supplied by the Dominion Bureau of Statistics are as follows:

Wheat Flour Exports

	1935-36 Aver. Price $	1935-36 (bbls.)	1934-35 (bbls.)	1934-35 Aver. Price $
Aug.	3.73	376,562	412,089	3.81
Sept.	3.76	395,640	369,320	3.93
Oct.	4.01	501,442	485,549	3.96
Nov.	4.22	525,368	504,384	3.93
Dec.	4.21	443,828	340,751	3.81
Jan.	4.17	314,311	346,099	3.80
Feb.	4.20	340,102	309,729	3.77
Mar.	4.18	476,773	497,468	3.75
Apr.	4.04	281,162	276,907	3.79
May	3.99	448,653	383,221	3.31
June	3.87	430,171	429,561	3.87
Total		4,533,972	4,355,076	
12 mos. end. June:	4.01	4,929,000	4,763,106	3.83

Wheat Volume Soars

Wheat shipments, however, continue to reflect the very large sales this year as compared with 1935. During June the Dominion Bureau of Statistics estimates that close to 26 millions of bushels were exported as compared with less than 7 millions for the same month a year ago. For the 12 months ended June, 1936, exports amounted to over 215 millions as compared with 148 millions for the same period in 1935 and 173 millions in 1934.

Exports of wheat for the second quarter of the current year amounting to almost 60 million bushels were almost 3 times the exports for the same period a year ago. June prices of 76 cents per bushel compare with 79 cents for June, 1935 and also for May of this year. The average price for export wheat during the 12 months ended June was 81 cents, or but a cent lower than in 1935.

Bull Market May See End Of Set Prices

No Wheat Move at Ottawa Until Situation Clarified

HEAVY SELLING

From Our Own Correspondent

OTTAWA.—Weather conditions in the wheat areas of this continent in the past few weeks have entirely changed the outlook of the government so far as future policy is concerned. With complete liquidation of burdensome carry-over in sight a return to the old open market with no minimum prices is now considered possible. At any rate there will be no official move to formulate a new wheat policy until the present situation is clarified.

Deaf to Pools

Representatives of the wheat pools interviewed the cabinet last week and while no definite recommendations were made, the sense of their views was that a minimum price on the 1936 crop should be fixed at about $1.10 per bushel. The delegation got no satisfaction from the ministry. The delegation, incidentally, also desired fixed minimum prices on coarse grains but here, again, the cabinet declined to do more than listen to the representations.

Despite the fact that the 1935-36 crop year ends July 31 and the minimum price fixed last September would normally cease to be effective on that date, the cabinet will proceed very slowly in framing the wheat policy of the future. Indeed, if conditions continue to develop in the next month as in the past, there may well be no additional policy needed.

The way in which cabinet ministers are thinking of the wheat problem may be summarized as follows:

Drastic Wheat Revision

In mid-June all indications pointed to a wheat carry-over as at the end of the crop year of 125 million bushels not all of which would be held by the Wheat Board on government account. The drought conditions which have eliminated the U. S. from the 1936-37 export picture and, indeed, made probable continued and generous exports from Canada to the south—have brought about a bull market.

This market was foreseen and the Wheat Board with the approval of the government continued inflexibly the policy of free sale of wheat. The result was that prices at Winnipeg never reached a dollar, but the volume of sales was much greater than expected. In the week ending July 4, for example, the Wheat Board is reported to have sold 11 million bushels. It probably did as well last week.

Selling Continues

J. R. Murray, chairman of the board, has not deviated a hair's breadth from the policy he adopted last December. The job has been to liquidate the wheat surplus and the result of the present boom market has been to simplify that task appreciably. It is a good guess to place the holdings of the Wheat Board at the close of this month at less than 100 million bushels. This means that last year's carry-over of 215 million bushels has been more than cut in half.

In the opinion of ministers who have toured the west and who know agriculture, the crop now shapes at about 225 to 250 million bushels or appreciably lower than last year. Much of the drought area is beyond salvation; even a normal crop of 14 bushels on this year's acreage, is not to be expected.

See Higher Prices

These conditions, coupled with the situation in the U. S. argue strongly for higher prices in the next 6 months. How high, no member of the cabinet cares to forecast, but neither would any of them care to say what minimum price western farmers should be ready to accept for wheat that is harvested.

It is argued, therefore, that it would be most unwise to fix a minimum price, particularly before the end of August when the full story will be known. A government fixed price, it is believed, is an advertisement to the world of what this country wants for its wheat: it tends to become a maximum price. If the market will sustain the Murray liquidation policy and continue upward, the right thing to do, it is believed, is to abstain from fixing any price; to let the market take its course and dispense with government interference.

Free Market in Sight

What may well happen, therefore, in the next 3 months is that the Canadian wheat surplus may be liquidated, the Wheat Board retained only in shadow form, if at all, and the old order of a free wheat market restored.

Likewise, the present prospects are deemed to be such that a royal commission search for larger export markets and new marketing systems is of doubtful utility. While Mr. Justice Turgeon has been appointed commissioner to this end, he will not start work this summer, as planned, but will await developments. If conditions continue in the next 6 weeks as in the immediate past, Mr. Turgeon will almost certainly return his commission. The enquiry will be called off.

Seasonal Vegetable Duties Sharply Reduced by Ottawa

From Our Own Correspondent

OTTAWA.—Seasonal tariffs on fruits and vegetables are being cut below the maximum permitted by the U.S. trade agreement.

The agreement stipulated that seasonal tariffs must not exceed 80% of those imposed by the Bennett government. There was to be a cut of 20% in this form of protection. To date, however, the King government has declined to grant any seasonal tariff at all on spinach, while cabbage, cauliflower, carrots and beets have not been protected up to the treaty maximum. Moreover it is possible that as a result of extensive heat damage and consequent inability of Canadian gardeners to meet a normal domestic demand, still further concessions on imported products may be made.

Otherwise the treaty rates are being granted but there is in evidence in government circles a degree of suspicion of this form of tariff. Hon. J. G. Gardiner minister of agriculture, as noted in The Financial Post, has dispensed with the advice of the Horticultural Council and is relying upon his own officials for guidance in this respect. An exhaustive study will be made before the spring of 1937 and chances are that this form of protection may be dispensed with entirely.

Wheat Self-sufficiency Irish Free State Aim

Production Increasing at Expense of Canada's Exports

The Irish Free State is making rapid progress in its avowed objective of making that country self-supporting in the matter of wheat and flour.

An acreage of 50,000 in 1933 has been stepped up almost to 155,000 in 1935, and is expected to reach 200,000 this year. For full domestic requirements something in the neighborhood of 700,000 acres of wheat would be needed. Such an acreage was actually normal back in the middle of the last century in the territory now included in the Free State.

As the domestic acreage increases, local millers are required to use an increased quantity of native wheat in their mix. This proportion has risen from under five per cent in 1932 to 25 per cent last year. The government assures wheat growers a guaranteed market and a fixed price.

This growing production of wheat in the Irish Free State has an important bearing on exporters such as Canada and Australia. In 1924, for instance, nearly 20 million bushels of wheat were imported, mainly from Australia, United States and Canada. Last year, however, imports from Canada actually increased by approximately 25 per cent, though this was at the expense of Australia and United States which were not big exporters in that year.

One drawback against the revival of wheat growing in the Irish Free State in the last few years, has been an increased price of bread and flour to consumers. Bread sells currently at above the level in Great Britain, and flour is reported to be very much higher.

New Wheat

General rains in Australia continue to improve the wheat situation there, but further moisture, it is reported, will be required. Private authorities indicate little change from last year's acreage of about 12 millions, which was the smallest sown for some years.

• • •

Official Japanese preliminary grain crop forecast shows wheat acreage very slightly larger than in 1936, though the yield is anticipated to be considerably less—probably a decrease of 4 millions of bushels—owing to exceptionally heavy snowfall last winter and unfavorable growing conditions since.

• • •

Yields of 15 to 25 bushels per acre from Kansas wheat fields so far indicate that that state may have an average crop this year, or about 150 million bushels. This is a complete reversal of the drought-stricken conditions of a year ago, when the yield was a good deal less than half as much.

• • •

The Danubian Basin, comprising South Central Europe, will produce a wheat crop of 345 millions of bushels this year as compared with 291 a year ago, and an average of 312. Exportable surplus is placed at over 63 million bushels, including carry-over. These estimates were based on late June conditions.

• • •

Total wheat crop for the United States of 631 million bushels is the estimate of Gilbert Gusner. In hard red spring wheat and Durum a shortage below American domestic requirements is predicted, which is not completely offset by surpluses in hard red winter and white. Normal requirements are estimated by Gusner at 635 millions of bushels.

Store Flour Not Wheat, Latest British War Plan

A supply of flour rather than wheat should be built up in Great Britain, as an emergency measure in case of war, is the latest suggestion to come from the Old Country.

Recently there has been considerable publicity regarding the vulnerable position of the United Kingdom in the matter of food supplies. Alarmist statements estimated the total supply of wheat on hand as not more than sufficient for 10 days of normal rations. This estimate, it was later stated, did not take into consideration, quantities of wheat in transit nor in the bins of the flour mills waiting for grinding. With this added it was believed the present supply would last about 3 weeks.

On several occasions the suggestion was made that a vast accumulation of wheat be built up in terminal elevators. This was opposed on 2 grounds:

First, that the elevators, mostly located along the edge of the big coastal cities would prove an ideal target for enemy air and water craft and,

Secondly, the big block of wheat accumulated would have a serious effect on world markets.

To overcome these difficulties it is now suggested that a supply of flour, which is less volatile from a market standpoint, should be stored. To get round the bombardment difficulty it is suggested that all United Kingdom bakers, great and small, simply double their flour holdings. Main advantages of such a course are cited as follows:

The supply of flour would be distributed in almost every street of the towns and villages throughout the country and not congregated in a few spots to form targets for enemy aircraft.

Secondly, it could not impede the function of any branch of the grain and milling trade.

Generator-Wheat Deal Appears Off

Edmonton Has No Grain to Trade With Swiss Firm

From Our Own Correspondent

EDMONTON. — Barter of wheat in exchange for machinery — the machinery to be used in extension of Edmonton's power plant and the wheat to be delivered to the company supplying the machinery — still is just an idea as far as Edmonton is concerned.

The difficulty is that Edmonton has no wheat, and has no immediate prospects of getting any under any deal which would make such a barter, instead of cash, profitable.

This proposition amounting to about $225,000 was put up to the city council and Mayor J. A. Clarke by the Swiss Electric Company, through its Montreal agents, a month ago. And this week a competitor had entered the field: the Oerlikon-Canada Company, with its head office in Zurich and an agency in Montreal, had agreed to match the bid of its compatriot and take payment in wheat.

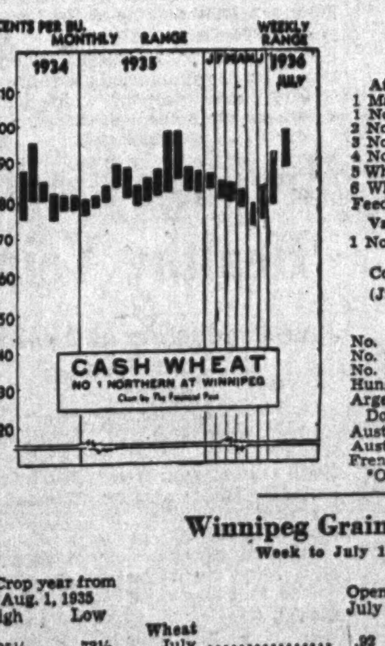
Fluttering wheat prices in the past two weeks have indicated to Edmonton's city fathers that it might not be at all profitable to buy grain for an exchange. There is some hope that an enquiry may bring to light some wheat grower who owes money to the city and could pay it in grain.

The Calgary Power Company, which formerly supplied power to Edmonton and which was left out of the picture when the agreement came up for renewal this year, has cut out all its lines which formerly served the city. As a result Edmonton is now wholly dependent on its own resources. Break-downs in the power supply on 3 successive days a few weeks ago resulted in an investigation which Mayor Clarke charges revealed "carelessness and lack of efficiency" in the city's own plant. Ousting of the Calgary Power Company was Mayor Clarke's chief plank in his election campaign platform.

Total Russian wheat acreage is estimated at almost 96 millions of acres as compared with 93 millions in 1935 and 90 millions in 1934. Growth is reported generally satisfactory.

Spain's wheat crop is estimated at 121 million bushels as compared with almost 154 million a year ago.

Wheat Prices



(Cash Quotations)

	For Week July 14 High $	For Week July 14 Low $	Prev. Week High $	Prev. Week Low $
At Winnipeg:				
1 Man. Hard	.96⅝	.91⅛	.93⅞	.82½
1 Northern	.95½	.90⅝	.92⅝	.80⅝
2 Northern	.93⅛	.88⅞	.90⅝	.78⅝
3 Northern	.88⅜	.83⅞	.85⅝	.74⅜
4 Northern	.83½	.78⅞	.80⅝	.69⅞
5 Wheat	.78	.72⅞	.73⅞	.63⅝
6 Wheat	.76¼	.69	.74⅝	.60⅝
Feed Wheat	.61	.54⅛	.56⅜	.46⅞
Vancouver: Week to July 14:				
1 Northern	.92	.87⅞	.89⅝	.78⅛

Competitive Export Prices:
(July) shipment.

	High Week to July 10	Low Week to July 10
No. 1 North. (Vanc.)	1.06½	1.00⅝
No. 2 North. (Atlan.)	1.06⅛	0.99⅝
No. 2 North. (Vanc.)	1.04⅛	0.98¼
Hungarian*	0.88¾	0.83½
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	1.02⅛	0.99
Australian	1.03¾	1.00⅝
French	0.87¼	0.84⅞

*Old and new crop, July-Aug. shipment.

Winnipeg Grain Futures

Week to July 14, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open July 8	High for week	Low for week	Close July 14
		Wheat				
.95½	.73⅛	July	.92	.95½	.89½	.91½
.95	.74⅝	Oct.	.90¾	.95	.88¾	.90⅝
.94⅞	.76½	Dec.	.91¼	.94⅞	.88⅝	.90⅝
		Oats				
.41⅛	.30	July	.38¼	.41⅛	.35½	.38⅛
.40¾	.29¾	Oct.	.36⅝	.40¾	.35⅛	.38⅝
.40⅝	.28¼	Dec.	.36	.40⅝	.34⅞	.37¼
		Barley				
.53¾	.35⅝	July	.48	.53¾	.46⅝	.52½
.50⅝	.34⅛	Oct.	.45⅞	.50⅝	.44⅝	.48⅝
.50½	.38	Dec.	.46	.50½	.44⅞	.48⅝
		Flax				
1.72	1.40¼	July	1.58	1.72	1.57⅞	1.69
1.72	1.37⅞	Oct.	1.56⅞	1.72	1.57⅛	1.66
1.69½	1.40⅝	Dec.	1.57¼	1.69½	1.57	1.63⅜
		Rye				
.61⅜	.30⅛	July	.56⅜	.61⅜	.56	.56⅛
.62	.41⅛	Oct.	.58¾	.61⅜	.55⅜	.58⅝
.62⅞	.43	Dec.	.59¼	.62⅞	.54⅝	.57⅝

Barriers to Trade

The International Chamber of Commerce has issued a new publication listing and analyzing 131 bilateral clearing agreements in force among world countries as at June 1, 1936.

Publication shows 34 countries now have clearing or payments agreements covering part or all of their commerce with one or more other countries. A synoptic diagram illustrates the considerable portion of international trade which has been canalized in the bilateral channels. Germany heads the list with 32 such agreements, Bulgaria comes next with 11, Italy and Greece immediately after with 10 each, France and Great Britain have 6 and 5 respectively. United States has none.

The publication is designed to be of practical value to manufacturers, exporters, importers, bankers and others entering into business transactions with countries affected by clearing agreements and can be obtained from the Chamber's head office in Paris.

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The Week in Mining

Market Settling Down To More Stable Basis

Even Bush Fires Fail to Unsettle the Summer's Calm—Hollinger Earnings

The background of the mining market remains basically unchanged since the upward trend received a check some weeks ago. As a result, markets are fairly settled, so settled that northern bush fires, which in a jittery market are always good for individual bearish raids, hardly rippled the surface.

This is a healthier condition than if the market continued the trend started early this year. A market which is well stabilized has considerably less to fear than a market which is violently bullish, especially when much of the bullishness is psychological.

An interesting analysis of the relationship between markets and properties appears in this issue. This analysis appears to support the view taken in this column for some weeks, namely that while, when the various favorable features of the outlook are taken into consideration, the valuation which the public is placing on senior golds and established producers can hardly be shown to be much out of line, the valuation placed on some of the undeveloped prospects seems difficult to justify.

Had this article appeared some weeks ago, the situation would have been much more obvious than it is today.

Hollinger Earnings Jump

HALF yearly earnings of Hollinger Consolidated Mines, large Porcupine producer, reflect the removal of the bullion tax, and the treatment of higher grade ore. For the first 6 months of this year, Hollinger earned 63 cents per share, as compared with 45 cents in the first half of 1935, in which period the company paid out more than half a million dollars for the bullion levy.

There is no reason to believe that the earnings rate will decline in the last half of the year, which would indicate 1936 earnings for this company at around $1.25 per share, as compared with 1935 per share earnings of $1.03.

From the long-term standpoint, probably the most significant feature of the report is the increase in recovery per ton. In 1935, average recovery per ton over the whole year was $7.68, as compared with $8.40 in the first half of this year.

These comparisons indicate very tangibly that Hollinger is slowly finishing the "mopping up" process, by which lower grade ore on the upper levels, non-commercial at old gold prices, but profitable at $35 gold, is being treated.

It is an encouraging fact that the recovery of $8.40 per ton is still considerably less, however, than the average shown in ore reserves. At $20.67 gold, these reserves average $7.06, equal to about $12 per ton in current gold prices. Thus, after nearly three years of $35 gold, Hollinger is still not touching its richest ore.

This is a striking example of how higher gold prices have aided in giving longevity to Canadian producers.

* * *

Music to Mining Ears

FURTHER assurance that Ontario mining men will not be faced with increased provincial taxes came from Premier Hepburn, speaking at Sioux Lookout, recently.

In order that mining men might have "no hesitation about going ahead with their developments," the premier gave his promise that as long as his government was in power, they would not be asked to pay any higher taxes than at present prevail.

This statement, plus the premier's confirmation of the report that roads were to be built into Red Lake and the Patricia mining area, are typical of the new government sentiment, both federal and provincial.

This change, which has resulted in public men viewing mining as the actual and potential large scale industry it is, is probably one of the outstanding features of the 1936 mining picture.

* * *

"Geyseritic Fumerolics"

CIRCULARS issued by Canadian mining prospects are not altogether free from pseudo-scientific verbiage, but it is doubtful if they have attained the high degree of verbal bunkum reported by the U. S. Securities and Exchange Commission after suspending the effectiveness of the registration statement of Franco Mining Corp.

So that prospective shareholders might know all about the property of this concern, they were informed by the "engineer" that "massive tufaceous andesitic and ryolitic of various thickness also form part of the Devonian formation." After having digested this significant information, the prospective shareholder, who is by this time probably completely sold on the proposition, is clinched by learning that: "At or near the close of this period in which the gouge was erupted and before the volcanic action had entirely ceased its geyseritic and fumerolic formation, fissuring of this contact zone was formed."

Engineering and Mining Journal points out that probably no significance is to be attached to the fact that the property was on the slope of Jackass Hill.

* * *

Index to Mining Stocks

IMPROVEMENT in gold stock prices was the main influence in raising the general index of mining issues from 154.4 for the week of July 2 to 155.3 for the week of July 9. The index for the comparable week in 1935 was 118.0.

Medium priced gold issues recorded gains of some importance and were responsible for the advance in this group, the index mounting from 132.9 for the week of July 2 to 134.2 for this week. For the week of July 11, last year this index was 110.8.

Lower prices for Falconbridge and Hudson Bay caused the index of base metals to decline for the third consecutive week. The index was 243.2 for the week of July 9, as compared with 243.7 for the preceding week and 150.1 for the corresponding period in 1935.

Golden Rose Glenora Gold Stock Listed

Two Prospects Graduated to Exchange Board July 10

Shares of both Glenora Gold Mines and New Golden Rose Mines were called for trading for the first time on the mining section of the Toronto Stock Exchange July 10.

New Golden Rose Mines, with an authorized capitalization of 3 million shares, reports all shares outstanding. The property, which is in the Temagami Forest Reserve, was formerly owned by Afton Mines, and is being financed by Consolidated Mining & Smelting Co.

The listing papers of New Golden Rose show that to May 31, 1936, Smelters has advanced $167,496 as a loan to the company, bearing interest at 7% to be repaid out of first earnings. Until it is so paid, this loan constitutes a first charge against property and assets.

Between April 6, 1935, and Feb. 22, 1936, a total of 1,999,995 shares had been issued to Smelters at 5 cents per share for expenditures. Besides the 5 incorporators' shares, an additional million shares were issued for properties to Afton Mines. This stock is held in trust by Toronto General Trusts Corp.

The balance sheet as at Dec. 31, 1935 shows cash in the bank of $4,627 against no current liabilities. Smelters loan stands as a liability at $94,483, without interest.

Glenora Gold is capitalized at 4.5 million shares, $1 par value, of which 3.5 million have been issued. Of the issued stock, 1.5 million shares were issued to vendor and 2 millions for cash. Amount realized for the sale of this stock totalled $166,056.

Balance sheet and financial statements will be found elsewhere on these pages.

Jubilee Long Lac Gold Mines—reports sufficient finances have been obtained to cover cost of the proposed diamond drilling programme on the property which adjoins Roche Long Lac in the Little Long Lac area.

At the Mines

Gilmour Gold Mines—According to reports received at the head office of the company from A. A. Kennigar, mine manager, the mill is now treating 75 tons per day, with an extraction efficiency of 93%. Millfeed is still being taken from the dump, estimated to contain 6,000 tons, with millhead values of $8 per ton.

* * *

Golden Arm Mines—Further exploration of the quartz vein recently disclosed on the Golden Arm Mines No. 2 group in the Red Lake district is being continued and blasting of the vein has started. The vein which showed, according to officials, a width of 20 ft. when discovered, now appears to be about 50 ft. wide.

* * *

Golden Gate Mining Co.—S. A. Pain, consulting engineer of this Kirkland Lake development states that crosscutting on the 200-ft. level has been started, and it is hoped to intersect the vein exposed on surface at a point about 200 ft. from the shaft. Drilling is under way from the 350-ft. level.

* * *

Manitoba and Eastern Mines—reports to shareholders that 510 ft. of crosscutting and drifting has been completed on the 100-ft. level and 475 ft. on the 200-ft. level on the Timagami, Ont., property. No tonnage estimates will be made until raises have been driven to prove the continuity of the ore lengths between levels although results are said by Walter B. Hurd, president, to be encouraging.

* * *

Olga Gas Ltd.—reports to the Toronto Stock Exchange that underwriting and option agreement dated May 12, 1936 has been terminated for default in the payment of the second block of the underwriting. The company has entered into a new underwriting with another group as of July 3, for the underwriting of 30,000 shares each for 1, 2, 3, 4 and 5 months at prices ranging from 8 to 10 cents per share.

Good Widths Indicated By Athona's Drilling

Latest drilling at the property of Athona Gold Mines, in the Lake Athabaska area, indicates values of $16 across a core length of 11 ft., according to a report received at the head office recently.

THEY CAME, SAW, WERE CONQUERED

Montreal businessmen are today, more than ever, convinced of the possibilities contained in the rocks of northwest Quebec. Following a visit of the Montreal Board of Trade to the Quebec camps, a movement is under way to establish a Chamber of Mines to co-ordinate the needs of the mining industry with other industries. The above photo, taken at the time of the Board of Trade's visit, shows the party, slightly conscious of their underground attire, leaving one of the shafts at Noranda Mines, huge copper-gold producer.

Inco Beats Schedule As Expansion Outlay Totals $12 Millions

Increase of 35% in Capacity to be Effected This Year

DEEPENING WORKINGS

From Our Own Correspondent

SUDBURY.—While The International Nickel Co. is establishing new high records in metal sales and net profits, rapid progress is being made in its construction programme at Copper Cliff designed to increase total capacity by over 35%. The work in most cases is slightly ahead of schedule and no difficulty is anticipated in completing the entire programme in order to bring the enlarged plants into operation late this year.

Steel workers on the new $6,000,000 smelter are well advanced in their part of the construction, and Fraser-Brace Co. has commenced bricklaying, the immense building thus taking definite form. The new stack, being constructed of concrete, has been completed to about 460 ft. in concrete and bricklayers are now engaged in bricking the remaining 50 ft. It will tower over the other big chimney by reason of its location on higher ground. Canadian Custodis Co., who built the present stack (of brick) in the expansion programme of 6 years ago, is erecting the new smoke-emitter.

To Boost Concentrator

In the meantime plans are proceeding to accomplish a 50% increase in the capacity of the concentrator—from 8,000 to 12,000 tons per day. This is not entailing much increase to building, but will be done by changes in equipment. A few more flotation cells will be installed, and the present classifiers will be replaced by new type Dorr classifiers of increased efficiency. Preliminary specifications are being made for the new conveyor which will be required to take the copper concentrate over to the new smelter, which will handle copper only, the present smelter being turned over to nickel exclusively. The changes to the mill, it is estimated, will require an expenditure of about $1 million.

Creighton Shaft at 3,800 Ft.

The new 6-compartment Creighton shaft, which is going down to the 56th level, has now reached a depth of around 3,800 ft., and it is expected the present objective (4,075 ft.) will be reached early in August. The various levels will then be opened up and connected with the old workings, and the entire project will be ready for regular operation when the various metallurgical plants now being enlarged are brought into play. The capacity of the new No. 5 shaft will be 4,000 tons per day, drawn at the rate of 250 tons an hour for 16 hours. The cages and skips are being made of nickel alloy steel, which has been adopted by International Nickel for all such installations. The advantage is that skip weights are reduced 4,000 pounds per unit, permitting the raising of an extra 1½ tons per load.

Ontario Refining Plant

The company expects the new electric furnaces at the Ontario Refining Co. plant will be ready for use in July. The furnaces are to take the place of the coal-fired units and are used for the purpose of melting electrolytic copper cathodes. The company recently entered into a contract with the Ontario Hydro-Electric Power Commission for 8,000 to 10,000 h.p. for the servicing of these furnaces, which is the largest metallurgical heat load added to the commission's contracts up to the present time. Before installation of the furnaces, International Nickel conducted experimental work with electric furnaces at the Huntington works and confirmed previous expectations of production of a copper of high quality.

Nickel has about completed its new change house for smelter and mill employees at a cost of $230,000, and the building will be ready for use next month.

Port Colborne Expansion

Increase of capacity at the Copper Cliff units will require similar expansion at the nickel refinery at Port Colborne, and work has been commenced on construction of a new 800-ft. building to house 3 additional electrolytic units, a warehouse and a new monel metal building to replace that destroyed by fire recently.

Provision of the extra electrolytic units will raise the capacity of the Port Colborne refinery by 50% and they will be ready for operation next December, when the total possible output will be 12 million pounds of electrolytic nickel per month. The refinery programme will bring Nickel's total capital outlay for the current programme up to $12 millions.

Sudbury Mines—Reports that underwriting and option agreement dated March 2, 1936, has been terminated for default, a total of 350,000 shares having been taken up at 5 cents per share.

O'Brien Rich Ore Cut on 5th Level

O'Brien Gold Mines continues to focus attention on itself by the high grade ore being opened up at this Cadillac producer. The upward extension of this high grade was cut on the fifth level last week, showing a grade equal to that encountered on the 6th level.

To date this high grade shoot has now been encountered on the 5th, 6th, 7th, 8th and 9th levels to the present bottom of the mine at 1,012 ft.

Crude Oil Well Fools Sceptics, Maintains Rate

Flow at Turner Valley Royalties Actually Increase

From Our Own Correspondent

CALGARY.—The Turner Valley Royalties well, on the southwest flank of Turner Valley, is astonishing oil men by the remarkable crude oil production it has maintained since coming in as a crude producer on June 17. The crude oil flow is not decreasing in volume but is increasing slightly day by day as the water forced into the formation during rotary drilling operations is coming out of the well.

Despite the fact that the Turner Valley Royalties well was only in operation part of June, a total of 11,555 barrels of crude was marketed to the Bell refinery in Calgary during that month from the well. At the last report Turner Valley Royalties was producing 860 barrels a day. A barrel contains 35 gallons.

Nearby Activities

Interest is now concentrated on wells drilling, or about to drill, just south of the recognized southerly limit of the structure. Nearest to completion is the Highwood No. 2 well, in which the British American company, which financed the completion of Turner Valley Royalties, has an interest. The Highwood well is drilling in the limestone south and a little to the east of the big producer.

Another drilling well conceded a chance of encountering crude oil in quantity is the Pekisko well, south of Turner Valley, and a quarter of a mile from the ranch owned by King Edward. This well is also being drilled in limestone. As King Edward owns a 99-year lease on the oil and mineral rights on the Royal ranch a big strike would attract general attention to the field.

Another interesting test in the area below Turner Valley Royalties well is the old Banner well, now being completed by Maple Leaf Royalties. About 1,500 ft. of Turner Valley Royalties is the Richfield well, drilled to about 4,000 ft. about a year ago. This well is to be completed with rotary equipment.

Just south of Richfield is the Renfrew Royalty well where a fishing job has been in progress for months. All that remains to be recovered now, however, is a lost bailer and it is expected the drilling-in the limestone will be resumed shortly. R. A. Brown, president of Turner Valley Royalties, has announced the formation of a new company which will drill near the present producer.

Meridian Finds Healthy Vein

June Production at 240.89 oz. from 3,800 Tons

June production at Meridian Mining Co. in B.C. is reported at 240.89 ounces gold from 3,800 tons, by A. K. McLean, sec'y. Millheads averaged .0751 ounces, the mill handling about 127 tons per day.

At a meeting of directors held recently, the managing director reported that the raise was nearing the 2-B stope on the Glory Hole section of the Eva property. Further investigation of the Glory Hole by Dick Forman, mine manager, showed a vein running the full depth of the Glory Hole of about 60 ft., with a width of about 26 ft. giving an average gold content of 0.25 ozs., and another 12 ft. section averaging .33 ounces.

Since a considerable amount of timbering will be necessary in the old stopes before this ore can be reached, it may be some weeks before millfeed is drawn from it.

Record Output At Central Pat

June Production Valued at $105,700 Is Highest Yet

Production at Central Patricia Gold Mines, in the Patricia area of Ontario, established a new high in June, with a value of $105,700, from the treatment of 4,787 tons of ore. This is a recovery of $22.08 a ton, from ore which averaged $22.16 per ton.

Monthly production figures for the year to date are as follows:

Monthly Production

	Tons milled	Bullion production $
1936		
January	3,870	88,025
February	3,650	74,200
March	4,546	97,403
April	4,782	100,835
May	4,610	94,780
June	4,787	105,700
6 months	26,245	560,945

Offering of Stock Made By Keystone Porcupine

Holding property in both Porcupine and Long Lac fields, Keystone Porcupine Gold Mines reports that G. W. Halnan & Co., Toronto brokers, have underwritten and optioned up to one million shares of the company's treasury stock.

G. W. Halnan & Co. are currently offering 200,000 shares of this stock at 17 cents per share. W. B. Airth has been appointed engineer in charge and has left for the Long Lac property.

Hollinger Net Jumps Sharply In 1st 6 Mths.

Earnings Per Share Up To 63 Cents from 45 Cents

TAX RELIEF FELT

Relief from the bullion tax, and higher grade ore combined to increase net profit of Hollinger consolidated Gold Mines for the first 6 months of 1936 to $3,084,213, as compared with $2,232,452 net profit in the first 6 months of 1935.

Net profit per share to June 30, this year, amounted to 63 cents, as against 45 cents for the first 6 months of 1935.

It is noticeable that the recovery per ton also jumped from $7.33 last year to $8.40, this indicating that Hollinger is gradually completing its programme of clearing up the lower grade ore on the higher levels.

Following is the detailed comparison for the first 6 months of 1936 and 1935.

Six Months Ended June 30

	1936	1935
Tons milled	876,165	895,929
Recov. per ton	$8.40	$7.33
Val. gold silver prod.	$7,356,336	$7,144,879*
Int. on invest. & other income	317,269	82,000
Total income	7,673,605	7,226,879
Oper. exps. incl. all chgs. & allow. for taxes	4,589,392	4,994,427†
Total profit	3,084,213	2,232,452
Earnings per share	$0.63	$0.45
Total divids. paid.	$0.45	$0.50

* Before deduction of bullion tax.
† Including bullion tax of $577,784; reserve for other taxes, $385,477.

Tonawanda Vein Impresses Expert

To Decide Whether Drilling or Shaft Sinking Will Continue

Charles E. Rea, president of Tonawanda Mines, informs The Financial Post that S. L. McDonald, who has been appointed consulting engineer has advised the Toronto office by wire that he is very favorably impressed with the new discovery, known as No. 9 vein, on the company's property in Cadillac Twp., Quebec.

Work on this showing is aimed at determining whether a diamond drill programme of shaft sinking will continue.

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Consolidated Chibougamau Releases Block of Stock

From Our Own Correspondent

MONTREAL.—Consolidated Chibougamau Gold Fields Ltd. has advised the Montreal Curb Market that under the terms of the underwriting and option contracts an additional 25,000 shares have been taken up, leaving 455,000 shares under option.

Parkhill Gold Mines Recovers $38,500 in June

From Our Own Correspondent

MONTREAL. — Parkhill Gold Mines milled 1,912 tons of ore during June, from which the gross recovery was $38,500

For the 9 months ended June 30, 1936, the company milled 16,178 tons for a total recovery of $244,563, or an average of $15.12 a ton.

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MORRIS KIRKLAND
KIRKLAND LAKE'S NEXT PRODUCER

MORRIS KIRKLAND

ARTIST'S DRAWING OF THE 100 TON MILL UNDER CONSTRUCTION AT THE PROPERTY OF MORRIS KIRKLAND GOLD MINES

New 100 Ton Mill Coming Into Production in October

Morris Kirkland is the next producer in the famous Kirkland Lake gold mining district.

In October it will begin to add its production of gold to that of the other famous mines of Canada's richest gold mining area — Lake Shore, Wright-Hargreaves, Teck-Hughes, Macassa, Sylvanite, Toburn and Bidgood Kirkland.

With $148,850 in its treasury, with current outstanding liabilities not in excess of $15,000, with a most conservative capitalization of only 2,500,000 authorized shares, Morris Kirkland will come into production with its plant fully paid for, and with ore reserves increased by opening up of orebodies on the four new levels which are to be established between 750 and 1,250 feet.

The shaft should reach the 1,250-foot level within the next two weeks, and drifting on two of the four new levels will then start, with every indication that the oreshoots indicated by diamond drilling to these depths will add considerably to the ore reserves already blocked out on the six upper levels.

Taking a cue from the sharp market advances in the securities of other young mines just before they have actually entered production, we have reason to expect that the market course of Morris Kirkland will be similar. We consequently suggest the purchase of these shares at the present time on The Toronto Stock Exchange, as representing an outstanding opportunity for speculative profits.

JOHNSON, RING & COMPANY, LIMITED
INVESTMENT SECURITIES
38 King St. West, Toronto, Ontario
ADelaide 1138

Our complete analysis of the position and outlook for
MORRIS KIRKLAND GOLD MINES
may be obtained without obligation by writing us at the above address.

Fox Lake Drill Indicates Drift Extends S. W.

Encouraging Results Obtained by West River Operation

ASSAYS AT $43

From Our Own Correspondent

SUDBURY.—An official report on diamond drilling progress at Fox Lake Gold Mines in the West River area states that drill hole No. 13 was completed a few days ago and establishes extension of the main vein 350 ft. to the southwest. The location of the hole was 50 ft. southwest of pit No. 5. The core, it is stated, showed over 60 ft. of vein matter, more highly mineralized than was shown in hole No. 12, which cut approximately the same width cut mineralization, mostly ankerite with sulphides, samples of which have been sent to Haileybury for assay. The core of hole 13 showed ankerite, cobalt, chalcopyrite and mispickle, and reached a depth of 122 ft.

The drill has been moved on to location 14, and is expected to cut the Cochrane vein under pit No. 7. Assays from this vein have given values up to $43 per ton at the present price of gold.

Several officials of Fox Lake Gold and others interested are scheduled to visit the property this week on a tour of inspection.

Falcon Gold Starts Shaft To 200 Level

New Compressor and Diesel Engine Now Installed

TO MAKE FAST TIME

From Our Own Correspondent

SUDBURY.—Shaft sinking is now under way at Falcon Gold Mines, in Falconbridge township, installation of the new 600-ft. compressor and Diesel engine having been completed over last week-end. The management expects to make fast time in the sinking job.

The existing shaft, put down by the Beckley interests some years ago, is around 50 feet deep, and the current programme calls for extending this to 200 feet, with a sump, and stations cut at 100 and 200 ft. Lateral work directed to the lenses of ore cut by diamond drilling from surface, should be under way in a few weeks time.

Shaft at Lebel Oro Nearing Objective

From Our Own Correspondent

SUDBURY.—Within a few days the management expects to complete the new shaft at the Long Lake mine of Lebel Oro Mines southwest of Sudbury, to its present objective of 200 ft., and work will soon thereafter be commenced on underground exploration. In the meantime the old workings have been dewatered to the third level, and dewatering is in progress to the fourth level.

A diamond drilling campaign is planned from the fourth level to test the structure below the fault. It is understood alterations will be undertaken to the 200-ton mill constructed 2 years ago, and which has not been in operation except for initial tests. These changes have been recommended by the General Engineering Company. The department of mines at Ottawa reports that good recovery can be made from the arsenical ores by an ordinary cyanide process.

There is considerable ore around the old workings and this will likely be taken out and milled along with the tailings dump when the milling plant has been altered in accordance with the present plans.

Darwin Gold Lengthens High Grade Vein Section

On the new ore shoot discovered recently at the property of Darwin Gold Mines in the Michipicoten area, high grade ore has been opened for 16 ft. on the 6th level, the company advises. The face is still in ore.

A total of 88 ft. of high grade has now been opened in this new vein. The first shoot, which is located west of the Grace vein, returned values of $64.95 across 3 ft. for a length of 72 ft. The second shoot is on the opposite or east side of the Grace vein.

The crosscut being driven from the third level station of the new shaft to explore the downward continuation of the Nyman vein is now well on its way toward that structure. It is expected to intersect the vein at a distance of 50 ft.

Wendigo Gold Ships 3rd Brick to Mint

Wendigo Gold Mines, Lake of the Woods producer, has shipped its third brick to the Ottawa mint, valued at $4,719, Henry D. Tudor, president reports.

The company has been encountering a metallurgical difficulty in that the copper content of the ore varies considerably from day to day, with the result that the copper is precipitated in the cyanide and produces a high consumption of chemicals. It is proposed to install a flotation unit at a cost of $2,500, which should make it possible to eliminate the copper, and cyanide the balance for gold recovery. Tests in this connection are already under way.

Thompson-Cadillac Issues Optioned Stock

From Our Own Correspondent

MONTREAL.—Thompson-Cadillac Mining Corp. has advised the Montreal Curb Market that an additional 30,000 shares have been taken up under the option agreement. Apart from the stock held in escrow, the total number of shares outstanding is now 1,350,916 and 268,000 shares remain under option.

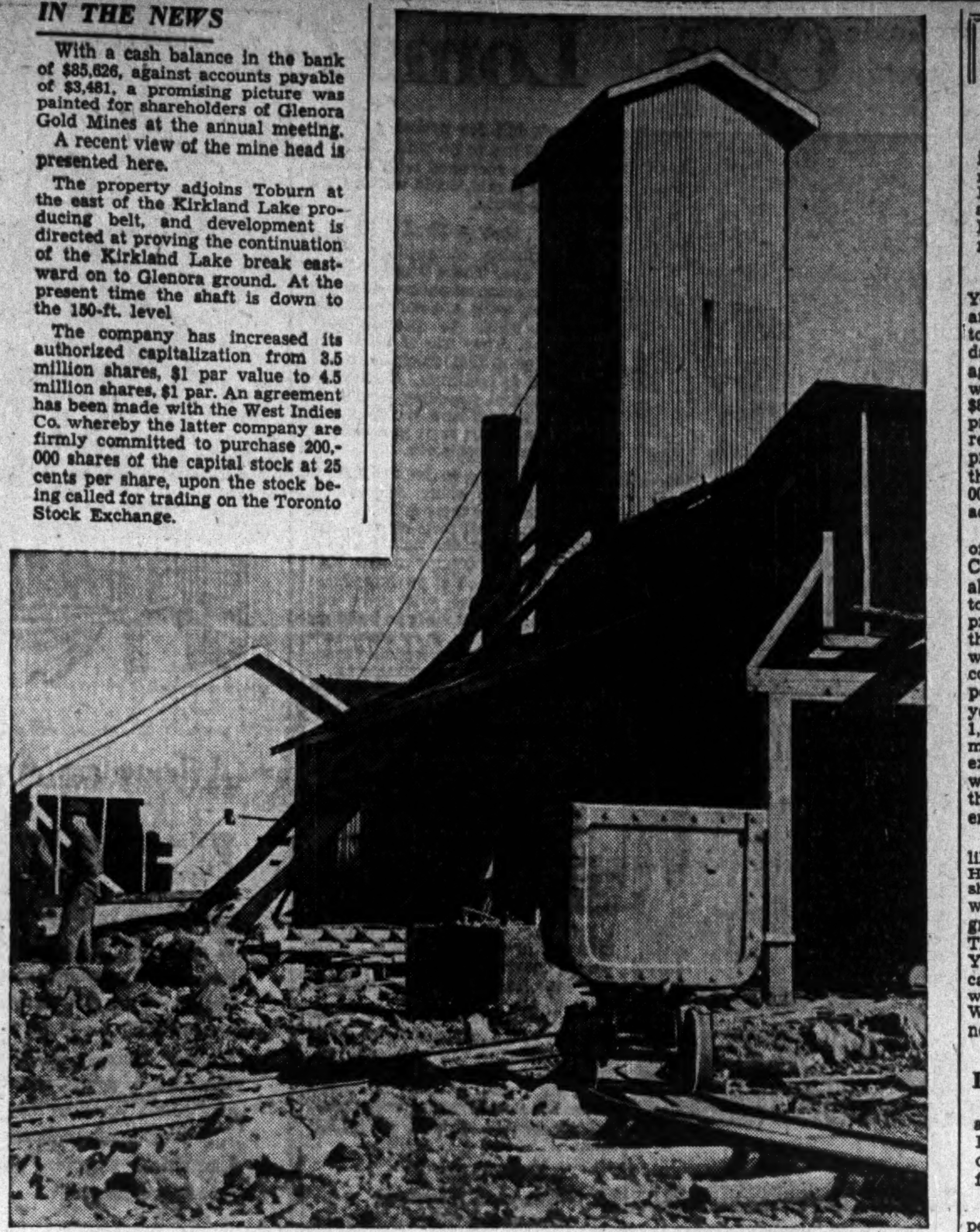
IN THE NEWS

With a cash balance in the bank of $85,626, against accounts payable of $3,481, a promising picture was painted for shareholders of Glenora Gold Mines at the annual meeting.

A recent view of the mine head is presented here.

The property adjoins Toburn at the east of the Kirkland Lake producing belt, and development is directed at proving the continuation of the Kirkland Lake break eastward on to Glenora ground. At the present time the shaft is down to the 150-ft. level

The company has increased its authorized capitalization from 3.5 million shares, $1 par value to 4.5 million shares, $1 par. An agreement has been made with the West Indies Co. whereby the latter company are firmly committed to purchase 200,000 shares of the capital stock at 25 cents per share, upon the stock being called for trading on the Toronto Stock Exchange.



Mining Reports

Harker Gold Mines

Investments held in the portfolio of Harker Gold Mines had a market value of $227,281, as at Dec. 31, 1935, as compared with a market value of $90,072 a year previous annual report of this holding company shows. These investments are shown at a book value of $198,645.

The report shows the company has not altered its holdings, except for shares in Pickle Crow Gold Mines, amounting at the end of the year to 37,174 shares, acquired partly through an exchange of stock previously held in Northern Aerial Minerals Exploration, partly through repayment of a loan by Northern Aerial Canada Golds, and partly by purchase in the open market. The company retains the 250,000 shares in Greene Stabell Mines shown in previous reports.

Current assets, totalling $60,017, comprise $7,017 cash and $53,000 loans and accrued interest. Deducting current liabilities of $551 leaves working capital of $59,466, as compared with working capital of $103,685 the previous year.

Company's income in 1935, although down slightly from the previous year, was more than sufficient to cover administration costs. Interest earned, which is the entire source of income, totalled $4,645 as against income of $5,331 in 1934. Expenditures, not including income tax of $526, totalled $1,719 in 1935, as against $1,632 in 1934. Net income for 1935 was $2,400.

Central Patricia

Net profit of $187,045 for the 5-month period Jan. 1 to May 31, after all reserves, is shown by Central Patricia Gold Mines, in an estimated earnings statement accompanying initial dividend cheques. This profit, on the basis of 2.5 million shares outstanding, is equivalent to about 7 cents per share for the period, or an annual per share earnings of approximately 17 cents per share. Earnings should, however, be materially higher than this for 1936, inasmuch as the company stepped up its mill from 100 to 150 tons per day in March, 1936, and production will increase accordingly.

In the 5-month period, the mill treated 21,460 tons, or an average of about 141 tons per day. Gross value of production is estimated at $449,970, giving a recovery per ton of $20.96.

Figures for the first 5 months of the year:

Estimated Earnings
5 Mos. ended May 31, 1936

	$
Gross production	449,970
Sundry revenue	3,749
Gross income	453,719
Less: Dev. oper., gen. chgs. & admin.	189,295
Dom., prov. & munic. taxes	27,154
Deprec. & w/o	50,225
Est. net profit	187,045

Wesko Mines

Erection of a 100-ton mill on the Centre Star property of Wesko Mines, of B. C. has started, and it is expected this will be in production by the end of September, P. S. McKergow, president, states in the annual report of the company covering the year ended April 30, 1936.

At June 15, the company had about $74,000 net in the treasury and all accounts and notes receivable, as mentioned in the balance sheet had been paid before their due dates, Mr. McKergow reports. The stock has been approved for listing by the Vancouver stock exchange.

During the last year, work was concentrated on the Centre Star property. Plans for financing mill construction on this property, as outlined in the previous year's report were rendered impractical due to the slump in B. C. gold mining shares experienced in 1935.

A new deal has been negotiated, however, for this financing, including a loan from directors of $40,000.

Arthur Lakes, consulting engineer estimates ore reserves above the 560-ft. level at 60,085 tons, with an average grade of $14. He adds in his report it is reasonable to expect considerable additional ore tonnage will be added to this figure when certain raising is completed.

The balance sheet as at April 30, 1936, shows current assets of $34,931 against current liabilities of $5,609. Of the 2.5 million shares authorized stock, par value 50 cents, 1,999,995 had been issued to April 30, 1936. Since that date, the company has sold a further 50,000 shares at 17½ cents per share and has issued 66,666 shares as a bonus to directors in connection with the loan, making a total issued capitalization of 2,116,661 shares.

Kirkland Hudson Bay

Covering 2 years to April 30, 1936, the annual report of Kirkland Hudson Bay Gold Mines shows that all exploration, prospecting and expense charges have been paid from income and a balance carried to surplus.

A. A. McKelvie, president, informs shareholders satisfactory results are being obtained on the properties of Red Crest Gold Mines, and J.M. Consolidated, both of which are being financed by Kirkland Hudson. Construction of a 100-ton mill is well advanced on the J.M. Consolidated property in the Patricia district of Ontario, and should be in operation in the latter part of this month. The mill will have approximately 2 years supply of ore ahead of it, most of which is broken in the stopes.

At Red Crest Gold Mines, in Red Lake, a shaft is being sunk to 300 ft. Surface work on this property has proved an ore shoot over 200 ft. long and 5 ft. wide, assaying $22 per ton, according to Mr. McKelvie. Drilling has proved the continuation of this ore body to a depth of several hundred ft.

No further developments at depth of the property at Kirkland Lake have taken place. Exploration will be made, shareholders are told from Lake Shore workings as soon as it can be arranged with that company.

Current assets as at April 30, 1936, comprise cash $1,874 and accounts receivable $20,722, for a total of $22,595. Accounts payable total $635 and bank loans $95,000.

Stock held in other mining companies are shown at cost as follows:

	Investments (at cost) $
Lake Shore Mines	149,846
Macassa Mines	75,964
Noranda Mines	22,462
McKenzie Red Lake	25,459
J. M. Consolidated	141,092
Red Crest Gold	25,000
Bourbeau Lake Chib.	25,000
Consol. Chib. Goldfields	6,170
Misc. mining companies	6,250
Total	477,243

Mr. McKelvie states market values of these holdings today are approximately twice the total cost figure shown above.

Revenue for the 2 years ending April 30, 1936, consisted of interest, $5,495 and dividends $48,252. Total expenditures were $43,105, leaving a balance of $10,642 carried to surplus. This brings the surplus, as at April 30, 1936, to $93,670.

Pend Oreille Mines & Metals

Between the time the mill resumed operations early in January, 1936, until the end of the fiscal year on April 30, 22,857 tons of ore were milled by Pend Oreille Mines & Metals Co., with producing lead and zinc properties in the state of Washington, just south of the border. From this tonnage, net receipts of $81,309 were obtained.

Balance sheet as at April 30 shows current assets of $27,093, against current liabilities of $103,104. This leaves a deficit in working capital of $76,011, as compared with a deficit of $36,606 at the end of the 1935 fiscal year.

This year, the management plans to bring the present capacity of the concentrating plant up to 600 tons per day, thus doubling the present capacity. Ore reserves, states Lewis P. Larsen, president, are ample to justify increased production. Prevailing metal prices are sufficiently high to enable the company to show "very satisfactory earnings," Mr. Larsen tells shareholders.

Following is a statement of income and expenditures for the fiscal year ended April 30, 1936:

Income and Expenditure Account
Year ended April 30, 1936

	$
Income:	
Ore sales, net receipts	81,309
Miscellaneous	971
	82,280
Expenses:	
*Operating and maintenance	76,780
Depreciation and depletion	18,309
Net loss	12,809
Surplus:	
Balance at April 30, 1935	1,799,207
Add: Adjustment	33
Surplus, per balance sheet	1,786,431

*Including development, taxes and miscellaneous expenses.

Dentonia Mines

A net profit, after all write offs and reserves of $80,323, equivalent to about 5 cents per share, is shown in the annual financial statement of Dentonia Mines, British Columbia producer.

Income was derived from production of gold, silver and lead, with non-operating income totalling $2,693.

In the balance sheet as at March 31, current assets total $212,247 against current liabilities of $24,756. In current assets, are investments in Dominion and provincial bonds with a market value of $104,143, and shares in other companies with a market value of $41,173. The working capital is at $187,491.

The report contains no information as to property development.

Following is a summary of profit and loss account for the fiscal year ended March 31, 1936.

Profit and Loss Account
(Year ended March 31, 1936)

	$
Net revenue from prod.	363,629
Miscellaneous revenue	2,693
Total net income	366,322
Less: Production expenses	177,222
Administration expense	21,147
	167,953
Less: Depreciation	10,844
Depletion	50,605
	106,504
Less: Prov. mineral tax (est.)	5,795
Income tax (prov. & fed.)	20,386
Net profit	80,323
Earnings per share:	
Earned	$0.05

Pandora Cadillac Gold Dewatering Proceeds

From Our Own Correspondent

MONTREAL.—The shaft on the Pandora Cadillac Gold Mine is now dewatered down to the 125-ft. level, according to a report issued by Andrew Walz, consulting engineer in charge. A geological survey on this level will be started at once along with sampling operations.

The first mining will be started when the dewatering has proceeded to a point where a crew can get into the 200-ft. level where a crosscut to the south will be continued.

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Mining Enquiries

Young-Davidson Mines

As a western reader who keeps in touch with Ontario mining matters via your excellent paper, I would much appreciate a brief analysis of Young - Davidson Mines, which has been recommended to me.

As you are probably aware, Young-Davidson in the Matachewan area of Ontario has been financed to production by Hollinger Consolidated Gold Mines. Under this agreement, Hollinger's advances, which amounted to slightly over $800,000, are to be repaid by entire production. When the advances are repaid, Hollinger will get 80% of the profit and Young-Davidson 20% At the end of 1935, approximately $500,000 was outstanding on these advances.

Young-Davidson is operating one of the lowest grade producers in Canada. In 1935, the ore graded about $3.12 per ton. Costs, however, totalled $2.10 per ton, giving a profit of $1 per ton. The fact that this property can operate at a profit with such low grade ore is due, of course, to the large ore body, which permits of open pit mining. This year, the mill is being stepped up to 1,000 tons per day, and underground mining is being inaugurated. It is expected that the increase in output will offset any increased costs which the underground method might entail.

Briefly, Young-Davidson looks like a profitable investment for Hollinger, and the outlook for shareholders of Young-Davidson will be better known when underground work has been well started. The company is in good hands. Young-Davidson has an authorized capitalization of $3 millions, of which $1,427,508 have been issued. We understand that Hollinger holds no stock in the company.

Dorval-Siscoe Gold Mines

I would like some information as to Dorval-Siscoe Gold Mines. Is this an investment, a prospect or a gamble? How is it being financed?

Dorval-Siscoe is still in the prospect class, and its success appears to depend upon whether ore in commercial grades and tonnages can be developed on what is believed to be the extension of the K ore zone of the Siscoe Gold Mines. Unit holders of the Dorval-Siscoe Syndicate recently approved the agreement to option the outstanding units of the syndicate for a period of 6 months to mining interests, and under the terms of the agreement holders of Dorval-Siscoe Gold Syndicate units will receive $16 a unit, in addition to 100 shares of Dorval-Siscoe Gold Mines Limited if the option is exercised. The company seems to have reasonably good speculative possibilities in the light of developments to date, and options on the company's stock indicate that it is having no difficulty along financing lines. Present arrangements in this respect are reported to be on a scale which will carry the company to production, if development is warranted to that point.

Little Long Lac Gold Mines

I bought Little Long Lac Gold Mines stock just before it came into production, and have been very disappointed with the market action since. Would you advise me to switch over into something else that has a greater chance of appreciating? Please give something as to property development.

Little Long Lac Gold Mines, with a producing property in the Little Long Lac area of Ontario, appears to be meeting with satisfactory results along all fronts. Mill tonnage is being stepped up, and will probably reach 250 tons per day some time in July. Development is being carried out at a depth of 1,000 ft., with promising, if unspectacular results. In 1935, the first full year of production, the company earned 23 cents per share, which is very satisfactory for a new producer. At the time of the annual report, ore reserves totalled 320,755, with an average grade of well over one-half ounce per ton. It is almost certain that development work on the deeper levels has since increased this figure materially. At 250 tons per day, the ore reserves mentioned in the annual report are more than sufficient to supply the mill for 3 years, which is, in Canadian gold mining, a satisfactory margin.

The fact that the market price has declined since just before the mill started is common occurrence with Canadian gold mines. A record of the market action in young producers shows that the peak is usually reached a few months before the mill starts operation. This, of course, is due to the psychological effect of a proposed mill on a public which is inherently optimistic about new gold mines.

In view of the fact that Little Long Lac is now paying dividends, we can see little advantage in selling your stock at present prices.

B.R.X. (1935) Cons.

I was very much interested in B. R. X. in the early days, and lost a little money on the stock. Does it seem to be staging a comeback? It would be very nice if I could recoup my losses by the same stock. What is your opinion of it? Should I sell now or buy more?

B. R. X. (1935) Consolidated Mines is currently proceeding with development work on its property in Bridge River, and on June 1 it was reported that the south drift had advanced for 215 ft. in April, making a total distance of 1,488 ft. from the crosscut, with the vein maintaining a width of about 5½ ft. No gold values were announced at the time.

B. R. X. has had several disappointments in the course of its development campaign, commencing with the work on the southern end of the property, where a drill core showed high gold values, which, after shaft sinking, were found to exist only in a stringer. From that time on, work was concentrated on the northern end of the property, where a different geological formation exists, but progress in this section has not been impressive to date. The company is being financed by French and British interests, but appears to be a sincere effort to prove the merits, if any, of the property. It must be admitted, however, that to date results have not been impressive.

We do not know, of course, what price you paid for your B. R. X. shares, but it does not seem reasonable to relinquish these at a loss while development on the property is proceeding. While there is no definite indication that the mine will become a producer, neither is there data on which to base the assumption that the property is a failure.

Glenora Gold Mines

Please give me a brief report on Glenora Gold Mines, in the east Kirkland Lake area, mentioning something as to the company's history.

Glenora shareholders recently approved an increase in the capital stock from 3,500,000 to 4,500,000 shares, firm underwriting of 200,000 shares, and the granting of options on an additional 550,000 shares at prices up to 50 cents a share. It is reported that the company intends to apply for listing on the mining section of the Toronto Stock Exchange. The company has had a somewhat chequered career during various stages of mining speculative excitement in the last 3 years, but with these latest financial arrangements, it appears likely that a development programme of importance will commence. Shaft sinking is understood to be in progress at the present time, following encouraging surface exploration results and diamond drilling. Stock was first offered by the company in 1933 at 30 cents a share. The company's property, while giving encouraging mining indications, must still be regarded as in the prospect class until further development work is done.

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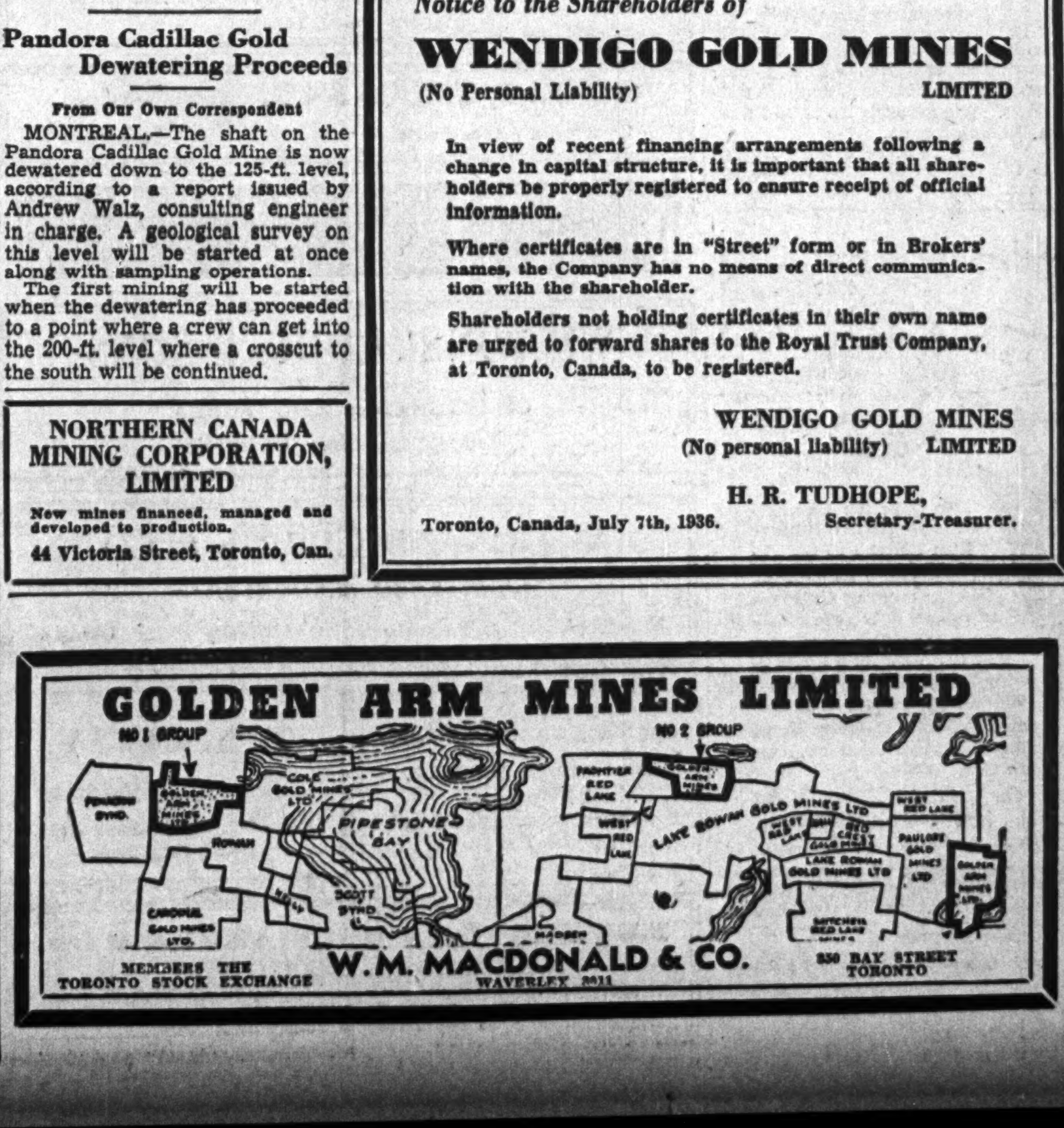
In view of recent financing arrangements following a change in capital structure, it is important that all shareholders be properly registered to ensure receipt of official information.

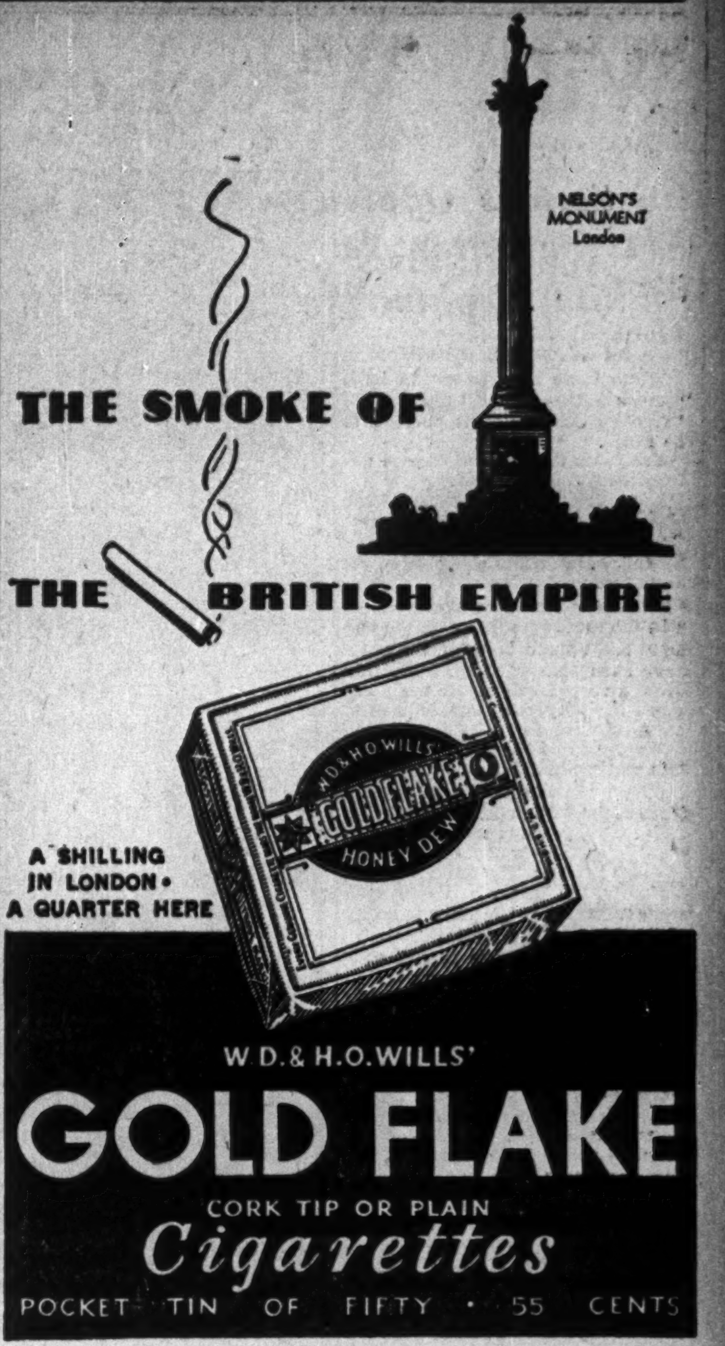
Where certificates are in "Street" form or in Brokers' names, the Company has no means of direct communication with the shareholder.

Shareholders not holding certificates in their own name are urged to forward shares to the Royal Trust Company, at Toronto, Canada, to be registered.

WENDIGO GOLD MINES
(No personal liability) LIMITED

H. R. TUDHOPE,
Toronto, Canada, July 7th, 1936. Secretary-Treasurer.

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Black Lake Completes Whiskey Lake Drilling

From Our Own Correspondent

SUDBURY.—Diamond drilling on the Wilson-Teasdale property at Whiskey Lake, north of Massey, for Black Lake Gold Mines, has been completed for the present. The work was done by Archie Burton, of Sudbury, and the third hole is stated to have intersected some interesting material at approximately 85 ft. in depth. In all about 300 ft. of drilling was performed in 3 holes, and it is the intention to resume operations later this summer.

The claims were staked some years ago by Jack Wilson and Bob Teasdale, and considerable surface work, including a test shaft of about 30 ft. deep, was undertaken. Black River Gold became interested recently.

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Will Wreckers Get Toronto's Casa Loma?

No Serious Offers Yet for Toronto's "White Elephant"

By GORDON L. SMITH

While there may be strong local protests it seems almost certain that Toronto's Casa Loma is doomed to be razed.

For years it has stood empty, unfurnished and unheated.

Magazines and newspapers have blazoned the fact this towered mansion was for sale, again and again. But no worth while offers have yet been received.

Two Forces at Work

In the meantime decay on the one hand and unpaid taxes on the other have been accumulating. Inevitably these 2 forces will reach the point when the very considerable task of bringing Casa Loma to the ground will have to be faced.

In and around Toronto, Casa Loma is considered almost as a permanent piece of the landscape. It is the city's only castle, perhaps the only one in Canada outside of a million dollar mansion in the Thousand Islands. Certainly, as regards its unique architecture, it is the only building of the kind in the world.

Visitors to Ontario's capital who like to announce their arrival to friends back home by postcard, seldom fail to include a view of Casa Loma. But in reality this white elephant has had but a short career. A hectic one, it is true, but so far as castles go, it is a mere infant. That, of course, is the rub and now the present owner, the City of Toronto, is getting a bit tired of the rôle of nurse.

Cost Unknown

It was built by Sir Henry Pellatt, financier, soldier and philanthropist. Started in 1910 it reached completion just one year before the Great War. Actual cost is unknown. It is doubtful even if Sir Henry, now practically retired, could estimate, within a $100,000 just what the structure cost him. Some say $1,175,000; but this seems far too low even allowing for pre-war prices. With its 7 acres of grounds, its entrances on 2 streets, its palatial stables, certainly the total investment must have been in the neighborhood of $3 millions. In any case it could not be reproduced today for less than $5 millions.

Ambitious and Palatial

It was by long odds the most ambitious home building project ever attempted in Canada. Writing in Maclean's Magazine some time ago, R. E. Knowles Jr. thus described it:

> Casa Loma stands on the lip of Toronto's "Hill" in grounds of nearly 7 acres, laid out in lawns and gardens with successive terraces sloping down from the main entrance. It is surrounded by a wall of huge boulders, selected with great care and set in place by stonemasons brought from Scotland especially for the purpose. This wall alone is said to have cost $50,000.

Work was begun but never completed on an elevator shaft, which it was planned to sink 100 feet beneath the basement of the castle. A horizontal tunnel big enough for a coach and four to drive through was to have been dug from the street at the foot of the hill, connecting with the bottom of the elevator shaft.

The foundations measure 250 by 150 feet, and the tip of the tallest turret rises nearly 300 feet from the ground. All floors and walls contain a solid mass of fireproof concrete, while between each floor and ceiling underneath there is a space of four feet to provide for plumbing and wiring The house contains 100 rooms, 5,000 electric lights, 50 telephones and 1,000,000 feet of wiring.

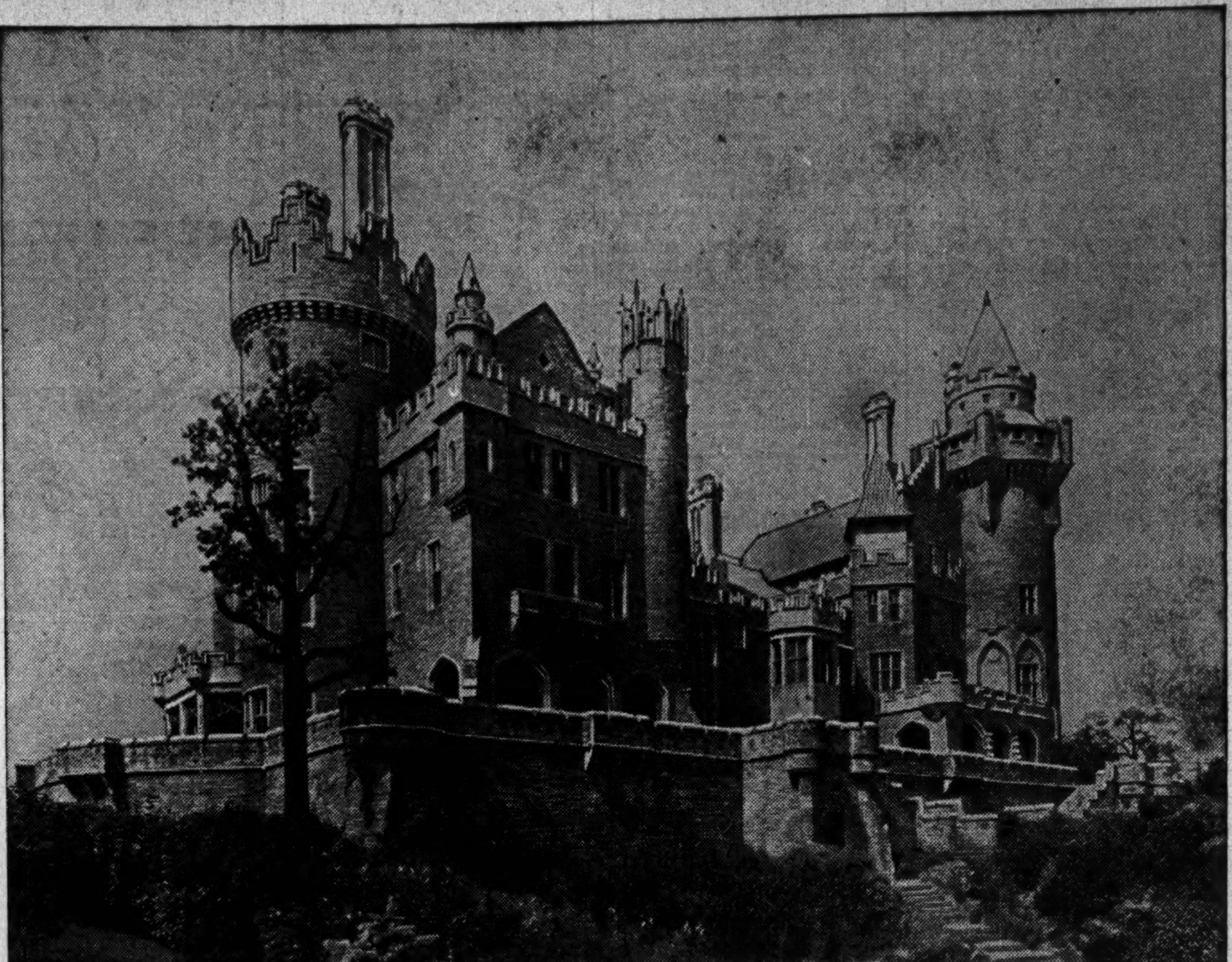
The Great Hall is 80 feet square by 70 feet high, panelled in quarter-cut oak from floor to roof. Halfway up on one side are the pipes of a $75,000 electric organ, while opposite it is a balcony connecting with Sir Henry's bedroom suite. The third side is almost entirely taken up with a huge Elizabethan mullioned window, containing nearly 2,000 square feet of glass. On the fourth side is a massive staircase.

Room For 200 Diners

The library, with room for a million volumes, is of solid mahogany. The dining room, with artistic and elaborate carvings decorating its oaken walls, could easily accommodate 200 people at a banquet. Several reception rooms, each panelled in the style of some period, a billard room, palm room, sun room and den, complete the layout of the lower floor.

Three tremendous bronze doors into the palm room were brought from Italy and are said to have cost $10,000 apiece. The half dozen fireplaces on the ground floor were all imported from old European castles at fantastic prices.

Sir Henry's bedroom is sixty by forty feet, in Louis XIV style. Adjoining it are his dressing room and bathroom, the latter of very fine marble.



ITS FUTURE IS UNCERTAIN

Few sightseers to Toronto miss Casa Loma but since the city authorities took over the famous castle in 1930 following a tax sale not a single serious offer has been made for the property. Completed just before the war at a cost of millions of dollars 4 solutions have been explored as a means of disposing of the embarrassing white elephant, but of these wrecking the buildings and subdividing the 7 acres of land into building lots is now considered the most likely.

In the basement there are bowling alleys, swimming pool, Turkish bath, rifle range and laundry, besides enough spare space to drill a regiment. Chutes run from every bedroom suite to the laundry, which is big enough for a hotel.

Luxury For Footmen

Servants' quarters, kitchens, pantries, etc., occupy a part of each of the 3 floors and the basement. Even the bedroom for the third assistant footman appears as comfortable and commodious as most people would desire. The main kitchen is entirely in white tile, with a huge recessed range capable of roasting an ox whole.

Two hundred and fifty thousand dollars were spent on the stables. The floors are of teakwood, stalls of solid mahogany, metal fittings plated with silver. They will accommodate 41 horses and several carriages, besides containing spacious quarters for grooms and coachmen. An underground tunnel a quarter of a mile long, tiled, heated and ventilated, connects the stables with the castle.

Mysterious Origin

There is a certain mystery concerning the plans which gave birth to Casa Loma. Certainly it is not a replica of anything on this continent or in Europe. Conception is popularly ascribed to Sir Henry's composite idea of the best of several castles visited in Europe with some leeway to make the plan fit into Canadian conditions and climate. It is supposed to be partly Scottish of the baronial type and partly French chateau.

The architect was the late E. J. Lennox, the same man who designed Toronto's city hall. In many respects construction of the 2 buildings is similar. The same now obsolete, but nevertheless massive construction of brick, concrete and stone supported by heavy wooden timbers reinforced and braced by steel, was used.

If Toronto needed and could afford a second city hall, perhaps Casa Loma would serve. But second city halls are expensive and represent a development not likely to be witnessed in this country for many years to come.

Now Unsaleable?

When completed, or rather when put into livable shape and Sir Henry had taken up residence, the city slapped an $800,000 assessment against the property. This was promptly and successfully appealed. The judge stated that there were only in Canada at that time (1913), 7 men who were affluent enough to maintain such a standard of living. As presumably these 7 men were already well supplied with living quarters, the judge decided that Casa Loma was practically unsaleable. And so an assessment of only $200,000 was allowed. Time has more than vindicated the judge's pronouncement. No private buyers have ever appeared.

Sold For Taxes

But even with the reduced assessment taxes soon became a burden. After various attempts at a sale, and even a tenant or two who tried to operate Casa Loma as a high class apartment hotel, the building was finally offered for taxes in 1933. It was intimated then that the payment of these, a mere $30,000, would have allowed possession. But such an assumption was wrong. Of the 4 different properties comprising the whole estate the situation at the time of the tax sale was as follows:

Property	Size	Assessment bldgs. $	Assessment land $	1929-30 taxes due $
Castle	5.96 acres	200,000	149,000	27,305.43
Stables	320'x70'	13,000	26,000	3,165.25
Stable yard	160'x44'	.....	2,400	189.50
14 ft. entrance from Austin Terrace		.....	108.50	13.58
Total about 7 acres		213,000	177,508.50	30,673.76

A Heavy Obligation

But a cash payment of $30,000 would not have given anyone possession of Casa Loma. This would merely pay the back taxes to 1930. The first mail the new owner would find in his letter box the morning after he shifted to the castle would have been a notification from the city hall, intimating that unless 1931, 1932 and possibly 1933 taxes were paid the city authorities would have to stage another tax sale.

So there would have to be another outlay of approximately $45,000 for taxes. But this would not be all. Depreciation on castle and stables is estimated at $60,000 per year. True no person has paid this for a good many years but to make the building homelike again, that sum multiplied by at least the number of years since abandonment around 1930, would have to be spent.

Depreciation Apparent

Nature has not dealt too kindly with the massive building with its concealed eavetroughs, its picturesque tile roofs, its abundant windows. The grounds too would need a little fixing up.

Fuel would have to be provided to the tune of probably $10,000 per year. Annual property taxes are higher now and cost of an adequate staff of servants would set back the new owner probably $10,000 more..

No, the tax sale of Casa Loma was a mere formality which marked the end of private ownership of Canadian castles. The actual sums of money mentioned by the auctioneer had no connection whatever with either the sale price of the castle nor of its ultimate cost.

Four Alternatives

Four alternatives face the city of Toronto as a solution to Casa Loma.

1.—Sell to a private owner as is.

2.—Sell it for commercial use, apartment hotel, restaurant, etc. after alterations.

3.—Hold it as a city museum, park, picture gallery, or memorial.

4.—Raze the building and subdivide the property.

All 4 proposals have been explored but there is little hope held out for the first 3. No private owners have shown any interest. On 2 occasions the property was operated as an apartment hotel. A few small alterations were made. But not even current expenses were met let alone anything on investment, or for taxes or depreciation.

The museum or memorial proposal has been advanced seriously, but is received with little enthusiasm among city authorities. It would be an expensive toy indeed with an annual loss of well over $100,000 divided something like the following:

	$
Loss in unpaid taxes	30,000
Heating	10,000
Depreciation	60,000
Maintenance	5,000
	105,000

The razing of Lady Eaton's Ardwold estate a few blocks away probably gives a cue to Casa Loma's fate. Here is similar property in the same neighborhood. No suitable buyers, apparently could be found.

People, who in pre-war days had big places in town, have given up these tax ridden luxuries in favor of more spacious and much cheaper estates in the country. Good roads and modern motors bring these distant homes within an hour of downtown in most cities. Measured on this basis this is just as close as the old town estates in the horse coach days. Ardwold's 11 acres are being subdivided for high class residential building and no difficulty is anticipated in disposing of the property in this way.

May Subdivide

It is claimed that Casa Loma's 7 acres could be similarly treated and thus an annual city loss of $40,000 or $50,000, assuming that no depreciation is provided to check decay, would be changed into tax paying property. The land could probably be sold for about $175,000 and would be assessed on that value plus a considerably larger amount for the houses built on it.

Razing Difficulties

But the razing offers some difficulties. There is sure to be a protest from those citizens who are proud "of their castle." There will be some who cannot understand the economy of pulling down an unsaleable $3 million building even if replaced by $175,000 of saleable and also tax revenue producing land. There will be a big kick especially when a wrecker's bill for probably $50,000 or $100,000 has to be paid. But that too must be reckoned with because nobody, it is said, could wreck Casa Loma at a profit.

Only a Shell

All valuable furnishings were sold long ago. There is only a shell left and in some respects a damaged shell. The walls are solid enough, much too solid to permit easy destruction. They are of brick and stone, 3 or 4 feet thick in many places and 85 feet high. Aside from some wooden panelling much of which is warped and the tiles and glass there is little to be gained from Casa Loma except stone.

This will have to be cleaned or crushed, before being offered for sale. In any case there is but a limited market. If all sorts of buildings were going up in the neighborhood a wrecking contractor might find a market for much of the huge heap of materials which will come out of the castle, but there is no building boom in existence or in sight sufficient to provide a profitable market outlet for the razed material.

Getting Casa Loma back to the category of building lots will be a big and expensive wrecking job.

Saint John Cargo Tonnage Well Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Volume of cargo tonnage moved through the port of Saint John during June shows a marked increase over that reported a year ago. Imports totalled 48,305 tons and exports 26,563 tons. This was in contrast to imports of 36,970 tons and exports of 21,528 tons in June, 1935.

For the first half of the current year nearly 1.1 million tons of cargo were handled at the port, of which 375,173 tons were inward and 715,665 tons outward. For the same period last year imports were 313,359, exports 578,617, a total of 891,976 tons.

City Gas and Electric Grows in Three Rivers

From Our Own Correspondent

MONTREAL.—City Gas and Electric Corp. reports the company now has upward of 1,000 connected customers in the Three Rivers division, where it operates a gas manufacturing plant and distribution system.

Payment of the half-yearly bond interest coupon was met June 6. In addition sinking fund requirements were covered.

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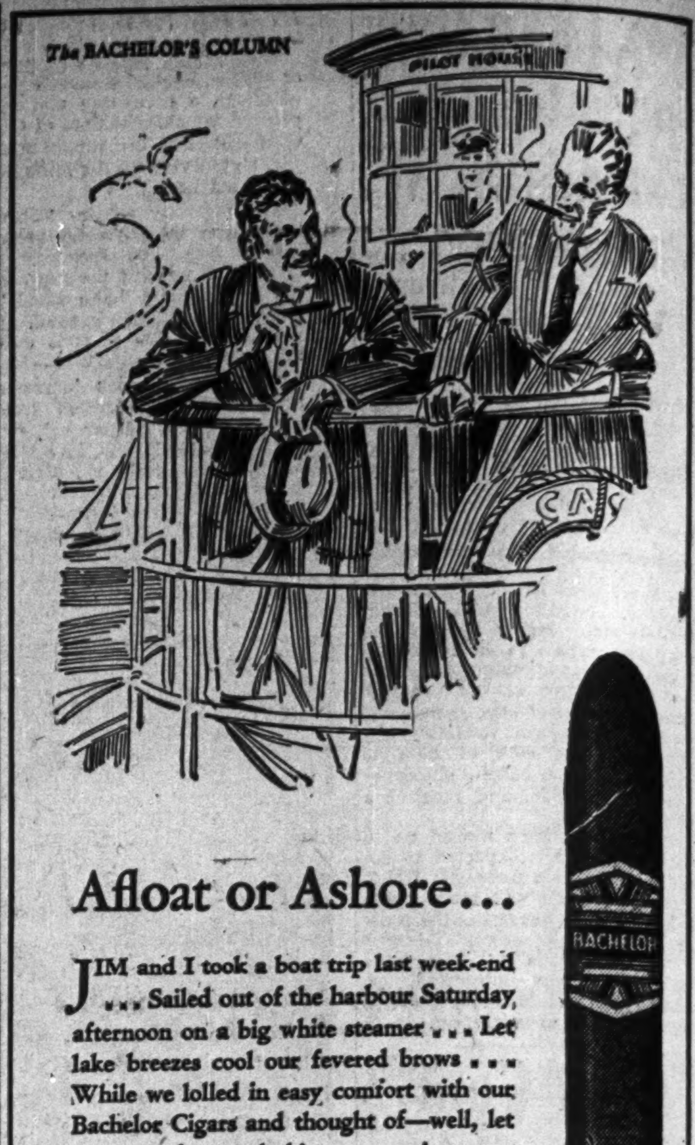

Afloat or Ashore...

JIM and I took a boat trip last week-end . . . Sailed out of the harbour Saturday afternoon on a big white steamer . . . Let lake breezes cool our fevered brows . . . While we lolled in easy comfort with our Bachelor Cigars and thought of—well, let me see, of several things, our wives, our brokers and some politics . . . Back in town Monday morning bright and early . . . "Here's to pleasant memories of a pleasant trip", Said Jim over our breakfast coffee . . . "And here's to Bachelor Cigars", said I, producing a couple, "they are as delightful afloat as ashore."

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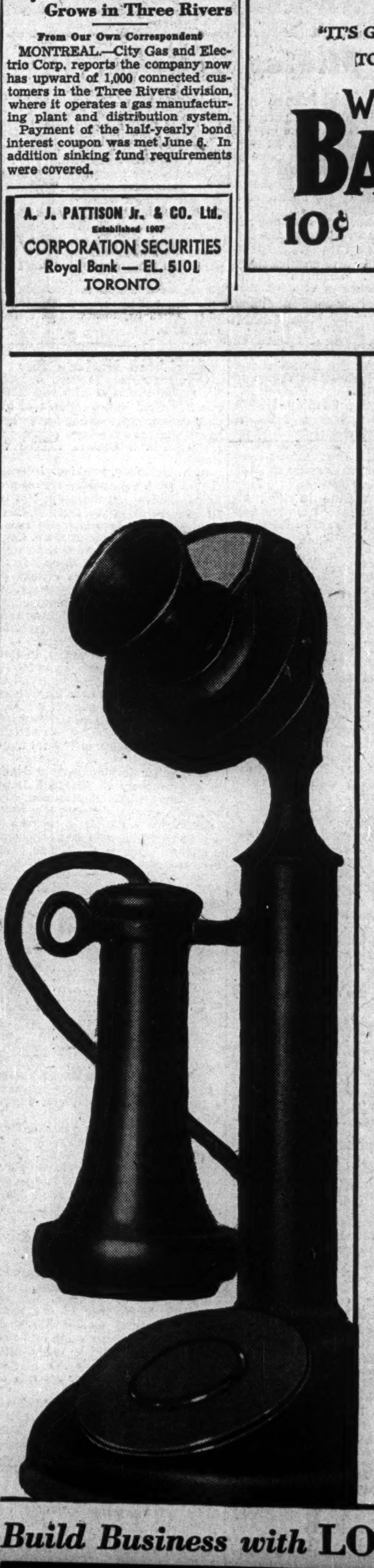

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